



U.S. Department of Housing and Urban Development
Washington, D.C. 20410

CHIEF PROCUREMENT OFFICER

Class Deviation for the Federal Acquisition Regulation (FAR) Part 48 in Support of Executive Order 14275, Restoring Common Sense to Federal Procurement

- 1. Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 48 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR part 48.
- 2. Background.** [Executive Order \(E.O.\) 14275, Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the FAR.

The FAR is being updated to:

- Eliminate non-statutory language
- Remove redundant or obsolete language
- Enhance clarity through plain language
- Align with the new FAR framework
- Preserve essential 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.

- 3. Summary of Changes.** FAR part 48, Value Engineering, has been updated to be more direct, active, and accessible. The model deviation text removes nearly 3,000 words (70%) from the current language.

Statutory requirements retained in the RFO FAR part 48 model deviation include, but may not be limited to, the following:

- 41 U.S.C. § 1711, Value Engineering
- OMB Circular A-131, Value Engineering

Change	Description
Retained	<ul style="list-style-type: none">● Sections 48.101, “General”, and 48.102, “Policies”, are retained and significantly streamlined.● Prescriptive information previously covered within section 48.104, “Sharing arrangements” is retained in the following clauses:<ul style="list-style-type: none">○ 52.248-1 covers information previously at 48.104-1, “Determining sharing period”○ 52.248-1(f) and (g) covers information previously at 48.104-2, “Sharing acquisition savings”○ 52.248-1(j) covers information previously at 48.104-3, “Sharing collateral savings”○ 52.248-1(i)(5) covers information previously at 48.104-4, “Sharing alternative-no-cost settlement method”

	<ul style="list-style-type: none"> ● Prescriptive information previously covered in section 48.105, “Relationship to other incentives” is retained in clause 52.248- 1(k). ● All clauses are retained with no changes to the text. <ul style="list-style-type: none"> ○ 52.248-1 Value Engineering ○ 52.248-2 Value Engineering—Architect-Engineer ○ 52.248-3 Value Engineering—Construction
Removed	<ul style="list-style-type: none"> ● Section 48.000, “Scope of Part” is removed as the content is self-evident and did not add value. ● The following terms are removed from section 48.001, “Definitions” as they were duplicative of definitions in clause 52.248-1, Value Engineering: <ul style="list-style-type: none"> ○ Government costs ○ Negative instant contract savings ○ Net acquisition savings ● Information in section 48.102(f) on calculating profit or fees for value engineering change proposal savings will be covered in the FAR Companion Guide. ● Section 48.103, “Processing value engineering change proposals” is removed because required information is covered in the clauses at 52.248-1 and 52.248-3. Additional information on implementing approaches and principles will be covered in the FAR Companion Guide. ● Information within section 48.104, on establishing sharing periods and rates will be covered in the FAR Companion Guide.

This table is not an exhaustive list.

4. Instructions.

- The HUD acquisition workforce must follow the RFO part 48 and corresponding 52 model deviation text instead of FAR part 48 and 52 as codified at 48 CFR Chapter 1. The Council’s RFO part 48 model deviation text is available at Acquisition.gov/far-overhaul, and is incorporated into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

5. Applicability. This class deviation applies to all HUD procurements.

6. Authority. This class deviation is issued under the authority of EO 14275, [OMB Memo M-25-26](https://OMB.Memo.M-25-26), 48 CFR 1.4, and RFO FAR 1.304.

7. **Effective Date.** This class deviation is effective November 03, 2025, and remains in effect until rescinded or incorporated into the FAR.
8. **Points of Contact.** Questions regarding this class deviation may be directed to Mrs. Tabitha Paison-McLeod, Sr. Procurement Analyst, Procurement Policy and Systems Division, at 202-402-5680 or Tabitha.M.Paison-McLeod@hud.gov.

X

Francine L. Hemphill
Acting Chief Procurement Officer