




U.S. MERIT SYSTEMS PROTECTION BOARD

Financial and Administrative Management

1615 M Street, NW
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July 22, 2025

TO: MSPB Contracting Officers

FROM: 
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Subject: FAR Class Deviation for FAR Part 31 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement

1. Purpose. This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) part 31 for purposes of implementing the FAR Council's model deviation to FAR part 31.
2. Background. On April 15, 2025, Executive Order (EO) 14275 on Restoring Common Sense to Federal Procurement was signed by the President. 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:

- 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 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

Retained

- The majority of the content is retained as it implements appropriations law.
- Most definitions and procedures are retained to maintain uniformity across Government.

Removed

- 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.

This is not an exhaustive list of the changes.

4. Instructions. The MSPB acquisition workforce 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 into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes or steps.

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

6. Authority. This class deviation is issued under the authority of EO 14275, OMB memorandum M- 25-26, 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.

8. Point of Contact. Questions regarding this class deviation may be directed to: Michaela Klarmann, michaela.klarmann@mspb.gov.