



Office of the Chief  
Acquisition Officer

**Date:** September 29, 2025

**From:** Darnese M. Wilkerson, Chief Acquisition Officer *DMW*

**To:** Office of the Chief Acquisition Officer (OCAO)

**Subject:** CLASS DEVIATION (CD) in Support of Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement" - Deviation to FAR Part 49, Termination of Contracts

## 1. Purpose

This Class Deviation (CD) implements the FAR Council's model deviation text for FAR Part 49, Termination of Contracts. This action aligns with Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement," and the Revolutionary FAR Overhaul (RFO) initiative.

The revised FAR Part 49 streamlines policies and procedures related to contract cost principles. Burdensome, duplicative, or outdated language not required by statute has been removed. Key changes include:

- **Simplification and Consolidation:** The overhaul focuses on simplifying the language and structure of FAR Part 49. Much of the detailed, non-statutory procedural guidance has been eliminated or moved to separate "Buying Guides" or "Practitioner Albums."
- **Emphasis on Statutory Requirements:** The revised Part 49 places a stronger emphasis on provisions that are directly required by statute.
- **Streamlined Subcontract Settlement Procedures:** The updated regulations simplify the process for settling subcontractor proposals after a prime contract is terminated.
- **Removal of Redundant Language:** Duplicative or outdated language has been removed from Part 49.

## 2. Background

EO 14275, signed on April 15, 2025, established a policy that the FAR should contain only provisions required by statute or those essential for sound procurement. To implement this EO, the Office of Federal Procurement Policy (OFPP) is leading the Revolutionary FAR Overhaul (RFO) initiative, supported by the Federal Acquisition Regulatory Council. The initiative aims to eliminate unnecessary regulations and policies across all levels of the federal government.

Further guidance was provided by OMB Memorandum M-25-26, "Overhauling the Federal Acquisition Regulation," issued on May 2, 2025.

The RFO FAR Part 49 model deviation text provides a simplified and more efficient framework for ensuring effective competition, emphasizing a mission-first approach, prudent use of taxpayer dollars, and efficiency in achieving acquisition outcomes.

### 3. Summary of Changes

RFO FAR Part 49, has been updated for Clarity and usability. Statutory requirements retained in the RFO FAR part 49 model deviation include, but are not limited to, the following:

- False Claims (31 U.S.C. § 3729)
- The Contract Disputes Act (41 U.S.C. §§ 7101 et seq (Pub L 95-563))

The following chart details information that has been changed by way of revision (Retained) or have been removed due to being outdated, redundant, or otherwise unnecessary (Deleted).

Change	Description
Retained	<ul style="list-style-type: none"><li>• Section 49.000 Scope of Part is simplified and retains the core scope of establishing policies and procedures for terminating contracts early.</li><li>• Section 49.001 Definitions is retained and updated for plain language.</li><li>• Section 49.002 Applicability is retained and updated for plain language with a simpler structure.</li><li>• The following subpart are reorganized and streamlined<ul style="list-style-type: none"><li>○ 49.1, General Principles</li><li>○ 49.2, Additional Principles for Fixed-Price Contracts Terminated for Convenience</li><li>○ 49.3, Additional Principles for Cost-Reimbursements Contracts Terminated for Convenience</li><li>○ 49.4, Termination for Default</li><li>○ 49.5, Contract Termination Clauses</li><li>○ 49.6 Contract Termination Forms and Formats</li></ul></li><li>• All existing clauses are retained with no changes to the text.</li></ul>
Removed	<ul style="list-style-type: none"><li>• Deleted content that is outdated, redundant, or otherwise unnecessary<ul style="list-style-type: none"><li>○ Plain language edits were made throughout to enhance readability and remove redundant, unclear, or non-essential language, decreasing the word count by more than 2,500 words.</li></ul></li><li>• Some content removed and added to practitioner albums, FAR Companion Guide, and/or Category Buying Guides</li></ul>

	<ul style="list-style-type: none"> <li>○ 49.108-7, Government assistance in settling subcontracts,</li> <li>○ 49.113, Cost principles, and</li> <li>○ 49.405 Completion by another contractor.</li> </ul>
--	---

## **FAR Streamlining**

As part of the RFO, the FAR is be streamlined to include only statutory requirements. Non-statutory content will be moved to new buying guides, collectively known as the Strategic Acquisition Guidance (SAG). The Council will first issue model deviation guidance by FAR part, followed by formal rulemaking through the notice and comment process. Agencies have 30 days to issue class deviations based on the model text once released.

**A. Streamlining Agency Acquisition Supplements:** Agencies must streamline their FAR supplements by removing regulations not based on statute or executive orders and by aligning with the FAR Council’s deviation guidance. Supporting policies must also be updated to reflect these changes. This is an excellent opportunity for NARA to formally publish a streamlined NARA FAR Supplement, ensuring consistency with the new FAR.

**B. FAR Buying Guides and Supplemental Companion Guides (CG):** As the FAR and agency supplements are streamlined, helpful non-regulatory content will be moved to these new FAR Buying Guides. These guides will offer practical instructions and best practices for implementing effective contracting methods, including those related to competition. The RFO Part 49 model deviation text is a plain language version that will be adhered to by all NARA contracting personnel.

## **4. Instructions**

The NARA acquisition workforce shall follow the RFO Part 49 deviated text instead of FAR Part 49 as codified at 48 CFR Chapter 1, Subchapter B, Part 49. The FAR Council’s RFO text is available at [FAR Overhaul - FAR Part 49 - Acquisition.gov](#) and is incorporated by reference into this deviation.

## **5. Applicability**

The requirements in this CD apply to all solicitations and contract actions issued or awarded on or after **October 1, 2025**.

## **6. Authority**

This class deviation is issued under the authority of Executive Order 14275 and OMB Memorandum M-25-26, 48 CFR Subpart 1.4.

## **7. Effective Date**

This CD is effective as of the date signed and shall remain in effect until the provisions of the RFO are formally implemented in the FAR through a final rulemaking.

**Darnese M. Wilkerson,**  
Chief Acquisition Officer

cc: NGC