



National Aeronautics and  
Space Administration  
Washington, DC 20546

# Procurement Class Deviation

PCD 25-15

August 30, 2025

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## CLASS DEVIATION FROM FEDERAL ACQUISITION REGULATION (FAR) PART 50 AND NASA FAR SUPPLEMENT (NFS) PART 1850 TO IMPLEMENT THE REVOLUTIONARY FAR OVERHAUL (NASA Case 2025-N017)

**PURPOSE:** To provide a Class Deviation from the FAR to implement the FAR Council's model deviation text to FAR Part 50, Extraordinary Contractual Actions and the Safety Act, and deviation to NFS Part 1850, Extraordinary Contractual Actions and the Safety Act.

**BACKGROUND:** On April 15, 2025, the Executive Order (E.O.) 14275, "[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." To implement E.O. 14275, the Office of Federal Procurement Policy (OFPP) is leading the **Revolutionary FAR Overhaul (RFO)** initiative. This effort is supported by the Federal Acquisition Regulatory Council (the Council) member agencies— General Services Administration, Department of Defense, NASA, along with other agencies. In line with the E.O., the initiative aims to eliminate unnecessary regulations and policies across all levels of the federal government.

The Office of Management and Budget (OMB) memorandum, M-25-26 issued on May 2, 2025, titled, Overhauling the Federal Acquisition Regulation, provided additional guidance to federal agencies regarding the FAR overhaul.

**FAR Streamlining.** As part of the RFO, the FAR will be streamlined to include only statutory requirements, while non-statutory content will move to new buying guides, collectively forming 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 will have 30 days to issue class deviations based on the model text once it is released.

**Streamlining Agency Acquisition Supplements.** Agencies must streamline their FAR supplements by removing regulations not based on statute or executive orders and aligning with the FAR Council's deviation guidance. Supporting policies must also be updated to

reflect these changes. This approach ensures the NASA FAR Supplement (NFS) remains consistent with the streamlined FAR.

**FAR Buying Guides and NFS Companion Guide (CG) (coming soon).** As the FAR and the NFS are streamlined, helpful non-regulatory content will be moved to new FAR Buying Guides and NFS CG. These guides are intended to offer practical instructions and best practices for implementing effective contracting methods.

RFO Part 50 model deviation has been released by the FAR Council. RFO Part 50 is primarily based in statute or procedures that are considered essential for sound procurement. RFO Part 50 retained statutory requirements to include, but not limited to, the following: National Defense Contracts (50 U.S.C. § 1431 et seq); Support Anti-Terrorism by Fostering Effective Technologies (6 U.S.C. § 441 et seq); and Contracting Authority in Connection with National-Defense Functions (E.O. 10789). Burdensome, duplicative, or outdated language and language not required by statute have been removed from FAR Part 50. This plain language version of FAR Part 50 shall be adhered to.

To align with the RFO FAR Part 50, the NFS Part 1850 is revised to remove non-statutory and outdated language. This deviation implements the revised RFO Part 50 and NFS Part 1850.

***GUIDANCE:***

(1) Contracting officers shall follow the RFO Part 50 deviated text instead of FAR Part 50 as codified at 48 CFR Chapter 50. The FAR Council's RFO text is available at [FAR Overhaul - Part 50 | Acquisition.GOV](#).

(2) COs shall also follow the NFS Part 1850 deviated text enclosed within this deviation.

***ACTION REQUIRED BY CONTRACTING OFFICERS:*** Effectively immediately, ensure that new contract actions issued on or after the effective date complies with the policy in the PCD.

***EFFECTIVE DATE:*** This PCD is effective as dated and shall remain in effect until implemented in the FAR and NFS or otherwise rescinded.

***PROVISION AND CLAUSE CHANGES:*** Not applicable.

***HEADQUARTERS CONTACT:*** Jennifer A. Grissom, Procurement Analyst, HQs Procurement and Grants Policy Division, email: [jennifer.grissom@nasa.gov](mailto:jennifer.grissom@nasa.gov)

**Marvin L. Horne**  
Acting Assistant Administrator for Procurement  
**Enclosure**

Changes in the NFS Deviation text below are identified as follows:

Deletions shown as ~~strike throughs~~; and additions shown as **[bold in brackets]**.

## EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

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**PART 1850**  
**EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT**

**Subpart 1850.1—Extraordinary Contractual Actions**

**1850.102 Delegation of and limitations of exercise of authority.**

**1850.102-2 Contract adjustment boards.**

14 CFR part 1209, subpart 3, Contract Adjustment Board, establishes the Contract Adjustment Board (CAB) as the approving authority to consider and dispose of requests from NASA contractors for extraordinary contractual actions.

**~~1850.103 Contract adjustments.~~**

**~~1850.103-5 Processing cases.~~**

**~~1850.103-570 Submission of request to the Contract Adjustment Board.~~**

~~(a) After investigating the facts and issues relevant to the contractor's request, the contracting officer shall forward the request to the Associate General Counsel for Contracts and Procurement Law, including in the forwarding letter—~~

~~(1) The nature of the case;~~

~~(2) The recommended disposition; and~~

~~(3) If contractual action is recommended, the contracting officer's opinion that the action will facilitate the national defense.~~

~~(b) The forwarding letter shall enclose the contractor's request, all supporting material submitted by the contractor, and any material the contracting officer has obtained while investigating the facts and issues relevant to the request. Any classified information in the material forwarded shall be so identified.~~

~~(c) Electronic submittal is preferred for unclassified material.~~

**~~1850.103-6 Disposition.~~**

**~~1850.103-670 Implementation of the Contract Adjustment Board's decision.~~**

~~(a) The contracting officer shall take action authorized in the CAB's decision.~~

~~(b) Immediately upon execution, including any required Headquarters approval, of a contract or contract modification or amendment implementing the CAB decision, the contracting officer shall forward a copy of the contractual document to the Associate General Counsel for Contracts and Procurement Law.~~

**~~1850.104 Residual powers.~~**

**~~1850.104-2 General.~~**

~~(a) Requests for the exercise of residual powers shall be sent to the Headquarters Office of Procurement, Program Operations Division for review and processing. The NASA Administrator is the approval authority for the Memorandum of Decision.~~

### **1850.104-3 Special procedures for unusually hazardous or nuclear risks.**

~~(a) Indemnification requests.~~

(1) Contractor indemnification requests must be submitted to the cognizant contracting officer for the contract for which the indemnification clause is requested. The request ~~shall~~**[must]** be submitted six (6) months in advance of the desired effective date of the requested indemnification ~~in order~~ to allow sufficient time for the request to be reviewed, analyzed, and approved by the Agency. Contractors ~~shall~~**[must]** submit a single request and ~~shall~~ ensure that duplicate requests are not submitted by associated divisions, subsidiaries, or central offices of the contractor.

(ii) The contractor's request for indemnification must identify a sufficient factual basis for indemnification by explaining specifically what work activities under the contract create the unusually hazardous or nuclear risk and identifying the timeframes in which the risk would be incurred.

(iii) The contractor ~~shall~~**[must]** also provide evidence, such as a certificate of insurance or other customary proof of insurance, that such insurance is either in force or is available and will be in force during the indemnified period.

~~(b) Action on indemnification requests.~~

~~(1) If recommending approval, the contracting officer shall forward the required information to the NASA Headquarters Office of Procurement, Program Operations Division, along with the following:~~

~~(i) For contracts of five years duration or longer, a determination, with supporting rationale, whether the indemnification approval and insurance coverage and premiums should be reviewed for adequacy and continued validity at points in time within the extended contract period.~~

~~(ii) The specific definition of the unusually hazardous risk to which the contractor is exposed in the performance of the contract(s), including specificity about which activities present such risk and the anticipated timeframes in which the risk will be incurred;~~

~~(iv) A complete discussion of the contractor's financial protection program; and~~

~~(vi) The extent to, and conditions under, which indemnification is being approved for subcontracts.~~

~~(2) The NASA Administrator is the approval authority for using the indemnification clause in a contract by a Memorandum of Decision.~~

~~(4)(ii) If approving subcontractor indemnification, the contracting officer shall document the file with a memorandum for record addressing the items set forth in FAR 50.104-3(b) and include an analysis of the subcontractor's financial protection program. In performing this analysis, the contracting officer shall take into consideration the availability, cost, terms and conditions of insurance in relation to the unusually hazardous risk.~~

### **1850.104-370 Subcontractor indemnification requests.**

Subcontractors ~~shall~~ **[must]** submit requests for indemnification to the prime contractor and through higher tier subcontractor(s), as applicable. If the prime contractor agrees an indemnity clause should

be flowed down to the subcontractor, the prime contractor ~~shall~~**[must]** forward its written request for subcontractor indemnification to the cognizant contracting officer for approval in accordance with FAR 50.104-3. The prime contractor's request ~~shall~~ **[must]** provide information responsive to 1850.104-3, FAR 50.104-3 and FAR 50.104-3(b)(1)(i), (ii), (iv), (v), and (vii). The agreed upon definition of the unusually hazardous risk to be incorporated into the subcontract ~~shall~~**[must]** be the same as that incorporated in the prime contract.

#### **1850.104-371 Indemnification for NASA Launch Services and Reentry Services.**

(a) Section 305 of the NASA Transition Authorization Act of 2017 (P.L. 115-10) provides NASA discretion to indemnify contractors providing launch services and re-entry services against successful claims by third parties for death, bodily injury, or loss of or damage to property. In addition, these claims may include reasonable expenses of litigation or settlement. These claims may originate from launch services and reentry services carried out under the contract that the contract defines as unusually hazardous or nuclear in nature.

(b) Contractor requests for indemnification in accordance with Section 305 of the NASA Transition Authorization Act of 2017 (P.L. 115-10) ~~shall~~**[must]** be submitted to the cognizant contracting officer for the contract for which the indemnification is requested and ~~shall~~**[must]** be submitted in accordance with NFS 1850.104-3(a) and FAR 50.104-3(a). ~~The contracting officer shall coordinate any contractor requests received with Agency and Center legal offices and process the request in accordance with NFS 1850.104-3(b) and FAR 50.104-3(b), with the exception of the requirement at FAR 50.104-3(b)(iii).~~

~~(c) If recommending approval, the contracting officer shall forward the required information to the Headquarters Office of Procurement, Procurement Strategic Operations Division, in accordance with NFS 1850.104-3(b).~~

~~(d) The NASA Administrator is the approval authority by a Memorandum of Decision.~~

- ~~(e) Upon receipt of the Memorandum of Decision the contracting officer shall incorporate the specific terms and conditions in Section H of the contract.~~

~~(f) Subcontractor requests for indemnification in accordance with Section 305 of the NASA Transition Authorization Act of 2017 (P.L. 115-10) shall be submitted and processed in accordance with NFS 1850.104-370.~~

~~/PN 19-02/~~

#### **1850.104-4 Contract clause.**

The contracting officer ~~shall~~**[must]** obtain the NASA Administrator's approval prior to including clause 52.250-1 in a contract.

CLEAN REGULATORY VERSION WITH CHANGES INCORPORATED:

**PART 1850**  
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14 CFR part 1209, subpart 3, Contract Adjustment Board, establishes the Contract Adjustment Board (CAB) as the approving authority to consider and dispose of requests from NASA contractors for extraordinary contractual actions.

**1850.104-3 Special procedures for unusually hazardous or nuclear risks.**

(a) *Indemnification requests.*

(1) Contractor indemnification requests must be submitted to the cognizant contracting officer for the contract for which the indemnification clause is requested. The request must be submitted six (6) months in advance of the desired effective date of the requested indemnification to allow sufficient time for the request to be reviewed, analyzed, and approved by the Agency. Contractors must submit a single request and ~~shall~~ ensure that duplicate requests are not submitted by associated divisions, subsidiaries, or central offices of the contractor.

(ii) The contractor's request for indemnification must identify a sufficient factual basis for indemnification by explaining specifically what work activities under the contract create the unusually hazardous or nuclear risk and identifying the timeframes in which the risk would be incurred.

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(b) Contractor requests for indemnification in accordance with Section 305 of the NASA Transition Authorization Act of 2017 (P.L. 115-10) must be submitted to the cognizant contracting officer for the contract for which the indemnification is requested and must be submitted in accordance with NFS 1850.104-3(a) and FAR 50.104-3(a).

**1850.104-4 Contract clause.**

The contracting officer must obtain the NASA Administrator's approval prior to including clause 52.250-1 in a contract.