

Date: August 20, 2025

From: Acting Executive Director, Office of Acquisition and Logistics (003A), and
Acting Senior Procurement Executive

Subj: Class Deviation for FAR Part 31 in Support of Executive Order 14275, Restoring
Common Sense to Federal Procurement (VIEWS 13613039)

To: Heads of Contracting Activities

1. Purpose. Deviate from Federal Acquisition Regulation (FAR) part 31 for purposes of implementing the FAR Council's model deviation text to FAR part 31.

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 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:

- 41 U.S.C. § 4304 Specific Costs Not Allowable
- 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

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Change	Description
Retained	<ul style="list-style-type: none">• The majority of the content is retained as it implements appropriations law.• Most definitions and procedures are retained to maintain uniformity across Government.
Removed	<ul style="list-style-type: none">• 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 table is not an exhaustive list.

4. Instructions.

- The VA acquisition workforce shall follow the RFO part 31 model deviation text instead of FAR part 31 as codified at 48 C.F.R Chapter 1. The FAR Council's RFO part 31 model deviation text is available at 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 process steps.

5. Applicability. All VA procurements.

6. Authority. [E.O. 14275](#), [OMB Memorandum M-25-26](#), [48 C.F.R. Subpart 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 related to this deviation may be directed to va.procurement.policy@va.gov.

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