CLASS DEVIATION FINDINGS AND DETERMINATION FEDERAL ACQUISITION REGULATION (FAR) PART 43 - CONTRACT MODIFICATIONS

Findings

- 1. The objective of this class deviation is to implement the Federal Acquisition Regulatory Council's model deviation text to the Federal Acquisition Regulation (FAR) Part 43 *Contract Modifications*, and applicable sections of FAR Part 52 *Solicitation Provisions and Contract Clauses*.
- 2. On April 15, 2025, President Donald J. Trump issued Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement*. Section 2 of the E.O. established 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."
- 3. On May 2, 2025, the Office of Management and Budget (OMB) issued memorandum M-25-26, *Overhauling the Federal Acquisition Regulation*, initiating a major overhaul of the FAR (Revolutionary FAR Overhaul, or "RFO"). The memorandum tasked the Office of Federal Procurement Policy (OFPP) with leading the RFO, in coordination with the other members of the Federal Acquisition Regulatory Council i.e., the General Services Administration (GSA), the Department of Defense (DOD), and the National Aeronautics and Space Administration (NASA) and federal buying agencies. The goal is refocusing the FAR on its statutory roots. To that end, the FAR is being updated to:
 - Remove language that is not required by statute
 - Remove duplicative or outdated language
 - Clarify or provide more plain language
 - Revise language for the new FAR framework
 - Retain language necessary for governmentwide acquisition standards

The OMB memorandum M-25-26 established a two phased approach to implementing enterprise deregulation as follows: Phase one, FAR Council deviation guidance, and phase two, formal rulemaking. Phase one involves the FAR Council issuing guidance on a rolling basis with clear, plain language model deviation text organized by FAR part. The goal is streamlining the regulation by aligning it more closely to its statutory base. According to the memorandum, agencies should adopt this model deviation text within 30 days by issuing either individual or class deviations.

4. On May 2, 2025, the FAR Council issued further implementing guidance in a memorandum titled *Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation*. Pursuant to the FAR Council's memorandum, "agencies that adopt the Council's RFO class deviation text without change, or require different text

- only to address statutory direction unique to the agency, do not need to coordinate with the Council."
- 5. On June 12, 2025, the FAR Council issued model deviation text for FAR Part 43 and corresponding clauses at FAR Part 52. FAR Part 43, *Contract Modifications*, has been streamlined to provide the essential contract modification standards for the workforce to limit risk to the public and government. Statutory requirements retained in the RFO FAR Part 43 model deviation include, but are not limited to, the following:
 - 31 U.S.C. § 1501, Documentary Evidence Requirement for Government Obligations
 - 31 U.S.C. § 1341, Anti-Deficiency Act
 - 41 U.S.C. §§ 7101-7109, Contract Disputes Act of 1978

In addition, the following table provides a non-exhaustive list of non-statutory requirements that have been retained / removed from Part 43:

Change	Description
Retained	 Non-statutory definitions and procedures for contract modifications are retained to maintain uniformity across Government. Instructions for documenting and definitizing change orders are retained and clarified.
Removed	• Plain language edits have been made throughout, resulting in a 300-word decrease.

The RFO Part 52 model deviation text makes minor revisions to clauses 52.243-1 Changes-Fixed-Price, 52.243-2 Changes-Cost-Reimbursement, 52.243-3 Changes-Time-and-Materials or Labor-Hours, 52.243-4 Changes, 52.243-5 Changes and Changed Conditions, 52.243-6 Change Order Accounting, 52.243-7 Notification of Changes, and their alternates, as applicable.

Determination

In accordance with RFO 1.304 *Class deviations* and Department of Energy Acquisition Regulation (DEAR) 901.404 *Class deviations*, to fully comply with the requirement of E.O. 14275 and the revised FAR Parts 43 and 52, it is hereby determined that a class deviation is appropriate pursuant to OMB memorandum M-25-26 (Attachment 1) and the FAR Council memorandum (Attachment 2) issued on May 2, 2025, using the RFO model deviation text for Part 43 and applicable sections of Part 52 (Attachment 3). Specifically, DOE/NNSA will use the RFO model deviation text for Part 43 in lieu of 48 Code of Federal Regulations (CFR) Part 43, and the RFO model deviation text for the applicable sections of Part 52 in lieu of 48 CFR 52.243-1, 52.243-2, 52.243-3, 52.243-4, 52.243-5, 52.243-6, and 52.243-7. Once approved, the Department will share the deviation widely among its workforce to ensure full awareness of and

compliance with the revisions to the affected regulations. This class deviation is effective upon issuance, and will remain effective until cancelled or incorporated into the FAR.

Janella Davis,

Acting Director
Office of Acquisition Management
Senior Procurement Executive
Department of Energy

William J. Quigley,
Deputy Associate Administrator
Office of Partnership and Acquisition
Services
Senior Procurement Executive
National Nuclear Security Administration

Attachments:

OMB Memorandum M-25-26, Overhauling the Federal Acquisition Regulation FAR Council Memorandum, Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation RFO Parts 43 and 52 Model Deviation Text