

**CLASS DEVIATION
FINDINGS AND DETERMINATION
DEPARTMENT OF ENERGY ACQUISITION REGULATION (DEAR) PART 931 -
CONTRACT COST PRINCIPLES AND PROCEDURES**

Findings

1. The objective of this class deviation is to update the Department of Energy Acquisition Regulation (DEAR) Part 931 - *Contract Cost Principles and Procedures* to implement the changes to the Federal Acquisition Regulation (FAR) Part 31 - *Contract Cost Principles and Procedures* by the Federal Acquisition Regulatory Council (FAR Council) through the Revolutionary FAR Overhaul (RFO) initiative and make other deregulatory revisions to DEAR Part 931 pursuant to Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement*.
2. On April 15, 2025, President Donald J. Trump issued 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 FAR Council. The goal is to refocus 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 - Remove duplicative or outdated language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 implement enterprise deregulation as follows: Phase one, FAR Council deviation guidance, and phase two, formal rulemaking. During phase one, the FAR Council issued plain language model deviation text for all applicable FAR parts.

4. On July 17, 2025, the FAR Council issued model deviation text for FAR Part 31 and the corresponding section of FAR Part 52, which the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA) adopted through a class deviation (Attachment 3), issued via Policy Flash 2025-50 on August 25, 2025.

5. DOE, including NNSA, is implementing E.O. 14275 and the related FAR revisions from the RFO through updates to its FAR supplement (the DEAR) via class deviations. These class deviations update FAR references in the DEAR, and make additional substantive changes, when necessary, driven by the RFO revisions to the relevant FAR parts, and the requirements of E.O. 14275 and OMB Memorandum M-25-26.

During phase one of the RFO – when the FAR is updated via class deviations incorporating the RFO model text – the DEAR will not be updated to align with the new FAR numbering structure. Once the RFO revisions to the FAR are finalized through formal rulemaking, the DEAR will be updated through formal rulemaking to align with the revised FAR numbering structure.

6. Accordingly, DEAR Part 931 is revised to update internal references following the RFO, as implemented by DOE/NNSA class deviation, and make plain language edits to improve readability, including changes to the active voice. The plain language edits are not intended to change existing DEAR requirements, but rather to improve clarity pursuant to the federal plain language guidelines as directed by the Plain Writing Act of 2010 (Pub. L. 111-274). Additionally, the DEAR is revised to replace the term “shall” with “must” or “will”.

Determination

In accordance with DEAR 901.404 *Class deviations*, to fully comply with the requirement of E.O. 14275 and the revised FAR Part 31 (Attachment 4), it is hereby determined that a class deviation is appropriate pursuant to OMB memorandum M-25-26 (Attachment 5), using the attached deviation text for DEAR Part 931 (Attachment 2) and applicable section of DEAR Part 952. Specifically, DOE/NNSA will use the deviation text for Part 931 in lieu of 48 Code of Federal Regulations (CFR) Part 931 and the deviation text for the applicable sections of Part 952 in lieu of the corresponding applicable sections at 48 CFR 952.231-70 and 952.231-71. 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 in effect until cancelled or incorporated into the DEAR.

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Attachments:

1. DEAR Part 931 Deviation Text – Track Changes
2. DEAR Part 931 Deviation Text – Final
3. Class Deviation to Adopt Revolutionary FAR Overhaul (RFO) Part 31 - Contract Cost Principles and Procedures
4. RFO FAR Part 31 Model Deviation Text
5. OMB Memorandum M-25-26, *Overhauling the Federal Acquisition Regulation*