



Homeland Security

MEMORANDUM FOR: Heads of Contracting Activities

FROM: Paul Courtney
Chief Procurement Officer

SUBJECT: FAR Class Deviation (Number 25-09) for FAR Part 43 in Support of Executive Order on Restoring Common Sense to Federal Procurement

- 1. Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) part 43 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR part 43.
- 2. Background.** [Executive Order \(E.O.\) 14275 on Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the Federal Acquisition Regulation.

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 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

Change	Description
Retained	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● Plain language edits have been made throughout, resulting in a 300-word decrease.

This table is not an exhaustive list.

4. Instructions.

- The Department of Homeland Security (DHS) acquisition workforce shall follow the RFO Part 43 deviation text instead of FAR Part 43 as codified at 48 CFR Chapter 43. The Council’s RFO Part 43 model deviation text is available at, <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-43>.

5. Applicability. This class deviation applies to all DHS procurements.

6. Authority. This class deviation is issued under the authority of [E.O. 14275](#), [OMB M- 25-25](#), 48 CFR 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. Points of Contact. Questions regarding this class deviation may be directed to Acquisition Policy and Legislation Branch at Acquisition.Policy@hq.dhs.gov.

Attachments:

1. FAR Part 43 Solicitation Provisions and Contract Clauses Revisions

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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Subpart 52.2—Text of Provisions and Clauses

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52.243-1 Changes—Fixed-Price.

As prescribed in 43.305(a)(1), insert the following clause. The 30-day period may be varied according to agency procedures.

Changes—Fixed-Price. (JUNE 2025) (DEVIATION 25-09)

(a) (1) At any time, the Contracting Officer may issue a written order making changes within the scope of this contract related to:

- (i) Drawings, designs, or specifications which require special manufacturing of supplies for the Government,
- (ii) The method of shipment or packing, or
- (iii) Place of delivery.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

(b) Whether or not changed by the order, if any of the changes cause an increase or decrease in the cost of, or the time required for, performance of the work under this contract, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) If the Contractor's proposal includes the cost of property made obsolete or has become excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(End of clause)

Alternate I (JUNE 2025) (DEVIATION 25-09). If no supplies are to be furnished and the requirement is for services, other than architect-engineer or other professional services, the following paragraph (a) will be substituted for paragraph (a) in the basic clause:

(a)(1) At any time, the Contracting Officer may issue a written order making changes within the scope of this contract in any one or more of the following:

- (i) Description of services to be performed.
- (ii) Time of performance (*i.e.*, hours of the day, days of the week, etc.).
- (iii) Place of performance of the services.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

Alternate II (JUNE 2025)(DEVIATION 25-09). If the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a)(1) At any time, the Contracting Officer may issue a written order making changes within the scope of this contract in any one or more of the following:

- (i) Description of services to be performed.
- (ii) Time of performance (*i.e.*, hours of the day, days of the week, etc.).
- (iii) Place of performance of the services.
- (iv) Drawings, designs, or specifications which require special manufacturing of supplies for the Government.
- (v) Method of shipment or packing of supplies.
- (vi) Place of delivery.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

Alternate III (JUNE 2025) (DEVIATION 25-09). If the requirement is for architect-engineer or other professional services, substitute the following paragraph (a) for paragraph (a) of the basic clause and add the following paragraph (f):

(a)(1) At any time, the Contracting Officer may issue a written order to make changes within the scope of this contract in the services to be performed.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

(f) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Contracting Officer.

Alternate IV (JUNE 2025) (DEVIATION 25-09). If the requirement is for transportation services, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a)(1) At any time, the Contracting Officer may issue a written order to make changes within the scope of this contract in any one or more of the following:

- (i) Specifications.
- (ii) Work or services.
- (iii) Place of origin.
- (iv) Place of delivery.
- (v) Tonnage to be shipped.
- (vi) Amount of Government-furnished property.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

Alternate V (JUNE 2025) (DEVIATION 25-09). If the requirement is for research and development and it is desired to include the clause, substitute the following subparagraphs (a)(1)(i) and (a)(1)(iii) and paragraph (b) for subparagraphs (a)(1)(i) and (a)(1)(iii) and paragraph (b) of the basic clause:

- (a)(1)
 - (i) Drawings, designs, or specifications.
 - (iii) Place of inspection, delivery, or acceptance.

(3) Place of inspection, delivery, or acceptance.

(b) If any such change causes an increase or decrease in the cost of, or time required for, performing this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in—

- (1) The contract price, the time of performance, or both; and
- (2) Other affected terms of the contract, and shall modify the contract accordingly.

52.234-2 Changes-Cost-Reimbursement.

As prescribed in 43.305(b)(1), insert the following clause. The 30-day period may be varied according to agency procedures.

Changes-Cost-Reimbursement (JUNE 2025) (DEVIATION 25-09)

(a) (1) At any time, the Contracting Officer may issue a written order to make changes within the scope of this contract in any one or more of the following:

(i) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.

(ii) Method of shipment or packing.

(iii) Place of delivery.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

(b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the—

(1) Estimated cost, delivery or completion schedule, or both;

(2) Amount of any fixed fee; and

(3) Other affected terms and shall modify the contract accordingly.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(e) Notwithstanding the terms and conditions of paragraphs (a) and (b) of this clause, the estimated cost of this contract and, if this contract is incrementally funded, the funds allotted for the performance of this contract, shall not be increased or considered to be increased except by specific written modification of the contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract. Until this modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds clause of this contract.

(End of clause)

Alternate I (JUNE 2025) (DEVIATION 25-09). If the requirement is for services and no supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a)(1) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (i) Description of services to be performed.
- (ii) Time of performance (*i.e.*, hours of the day, days of the week, etc.).
- (iii) Place of performance of the services.

Alternate II (JUNE 2025) (DEVIATION 25-09). If the requirement is for services and supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a)(1) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (i) Description of services to be performed.
- (ii) Time of performance (*i.e.*, hours of the day, days of the week, etc.).
- (iii) Place of performance of the services.
- (iv) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.
- (v) Method of shipment or packing of supplies.
- (vi) Place of delivery.

Alternate III (JUNE 2025) (DEVIATION 25-09). If the requirement is for construction, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a)(1) At any time, the Contracting Officer may issue a written order to make changes within the scope of this contract in the plans and specifications or instructions incorporated in the contract.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

Alternate IV [Reserved]

Alternate V (June 2025) (DEVIATION 25-09). If the requirement is for research and development, and it is desired to include the clause, substitute the following subparagraphs (a)(1)(i) and (a)(1)(iii) for subparagraphs (a)(1)(i) and (a)(1)(iii) of the basic clause:

- (a)(1)(i) Drawings, designs, or specifications.
- (iii) Place of inspection, delivery, or acceptance.

52.243-3 Changes-Time-and-Materials or Labor-Hours.

As prescribed in 43.305(c), insert the following clause:

Changes-Time-and-Materials or Labor-Hours (JUNE 2025) (DEVIATION 25-09)

(a)(1) At any time, the Contracting Officer may issue a written order to make changes in within the scope of this contract in any one or more of the following:

- (i) Description of services to be performed.
- (ii) Time of performance (i.e., hours of the day, days of the week, etc.).
- (iii) Place of performance of the services.
- (iv) Drawings, designs, or specifications which require special manufacturing of supplies for the Government.
- (v) Method of shipment or packing of supplies.
- (vi) Place of delivery.
- (vii) Amount of Government-furnished property.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

(b) If any change causes an increase or decrease in any hourly rate, the ceiling price, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this contract, the Contracting Officer will make an equitable adjustment in any one or more of the following and will modify the contract accordingly:

- (1) Ceiling price.
- (2) Hourly rates.
- (3) Delivery schedule.

(4) Other affected terms.

(c) The Contractor shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment will be a dispute under the Disputes clause. However, nothing in this clause excuses the Contractor from proceeding with the contract as changed.

(End of clause)

52.243-4 Changes.

As prescribed in 43.305(d), insert the following clause. Agency procedures may vary the 30-day period.

Changes (JUNE 2025) (DEVIATION 25-09)

(a) (1) At any time, the Contracting Officer may issue a written order, identified as a change order, to make changes in the work within the scope of the contract, including changes—

- (i) In the specifications (including drawings and designs);
- (ii) In the method or manner of performance of the work;
- (iii) In the Government-furnished property or services; or
- (iv) Directing acceleration in the performance of the work.

(2) If there are any sureties, the Contracting Officer does not need to notify them of a written order.

(b) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change shall be treated as a change order under this clause; provided, that the Contractor gives the Contracting Officer written notice stating—

- (1) The date, circumstances, and source of the order; and
- (2) That the Contractor regards the order as a change order.

(c) Except as provided in this clause, no order, statement, or conduct of the Contracting Officer shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.

(d) If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work under this contract, whether or not changed

by any such order, the Contracting Officer shall make an equitable adjustment and modify the contract in writing. However, except for an adjustment based on defective specifications, no adjustment for any change under paragraph (b) of this clause shall be made for any costs incurred more than 20 days before the Contractor gives written notice as required. In the case of defective specifications for which the Government is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the Contractor in attempting to comply with the defective specifications.

(e)(1) The Contractor must assert its right to an adjustment under this clause, by submitting to the Contracting Officer a written statement describing the general nature and amount of proposal within 30 days, unless this period is extended by the Government, after—

- (i) Receipt of a written change order under paragraph (a) of this clause; or
- (ii) The furnishing of a written notice under paragraph (b) of this clause.

(2) The statement of proposal for adjustment may be included in the notice under paragraph (b) of this clause.

(f) No proposal by the Contractor for an equitable adjustment shall be allowed if asserted after final payment under this contract.

(End of clause)

52.243-5 Changes and Changed Conditions.

As prescribed in 43.305(e), insert the following clause:

Changes and Changed Conditions (JUNE 2025) (DEVIATION 25-09)

(a) The Contracting Officer may order changes in the drawings and specifications within the scope of the contract in writing.

(b) The Contractor shall promptly notify the Contracting Officer, in writing, of subsurface or latent physical conditions differing materially from those indicated in this contract or unknown unusual physical conditions at the site before proceeding with the work.

(c) If changes under paragraph (a) of this clause or conditions under paragraph (b) of this clause increase or decrease the cost of, or time required for performing the work, the Contracting Officer shall make an equitable adjustment (see paragraph (d) of this clause) upon submittal of a proposal for adjustment (hereafter referred to as proposal) by the Contractor before final payment under the contract.

(d) The Contracting Officer shall not make an equitable adjustment under paragraph (b) of this clause unless—

(1) The Contractor has submitted the required written notice and the Contracting Officer has received the notice; or

(2) The Contracting Officer waives the requirement for written notice.

(e) Failure to agree to any adjustment shall be a dispute under the Disputes clause.

(End of clause)

52.243-6 Change Order Accounting.

As prescribed in 43.305(f), the contracting officer may insert a clause, substantially the same as follows:

Change Order Accounting (JUNE 2025) (DEVIATION 25-09)

The Contracting Officer may require change order accounting whenever the estimated cost of a change or series of related changes exceeds \$100,000. The Contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The Contractor shall maintain such accounts until the parties agree to an equitable adjustment for the changes ordered by the Contracting Officer or the matter is conclusively disposed of in accordance with the Disputes clause.

(End of clause)

52.243-7 Notification of Changes.

As prescribed in 43.206, insert the following clause:

Notification of Changes (JUNE 2025) (DEVIATION 25-09)

(a) *Definitions.*

Contracting Officer, as used in this clause, does not include any representative of the Contracting Officer.

Specifically Authorized Representative (SAR), as used in this clause, means any person the Contracting Officer has designated by written notice (a copy shall be provided to the Contractor) that shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) *Notice.* The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative

Contracting Officer in writing promptly, within _____ (to be negotiated) calendar days from the date that the Contractor identifies any Government conduct that the Contractor regards as a change to the contract terms and conditions. Examples of conduct that may be regarded as a change to terms and

conditions include actions, inactions, and written or oral communications. On the basis of the most accurate information available to the Contractor, the notice shall state—

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including—
 - (i) What line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
 - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and
- (6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) *Continued performance.* Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance. However, if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) *Government response.* The Contracting Officer shall promptly, within _____ (to be negotiated) calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either—

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under (1), (2), or (3) of paragraph (d) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) *Equitable adjustments.* (1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made—

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs(b) and (c) of this clause.

Note: The phrases contract price and cost wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

(End of clause)

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