



# UNITED STATES DEPARTMENT OF EDUCATION

## OFFICE OF FINANCE AND OPERATIONS

December 12, 2025

### ACQUISITION ALERT 2026-17

TO: Heads of Contracting Activities

FROM: Christopher J. Rosier **CHRISTOPHER ROSIER** Digitally signed by CHRISTOPHER ROSIER  
Acting Deputy Assistant Secretary for the Office of Acquisition Management Date: 2025.12.12 12:20:56 -05'00'  
Acting Senior Procurement Executive

SUBJECT: FAR Class Deviation for FAR Part 42 in Support of Executive Order 14275, Restoring Common Sense to Federal Procurement.

- 1. Purpose.** This Acquisition Alert (AA) adopts a class deviation to Federal Acquisition Regulation (FAR) Part 42 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR Part 42.
- 2. Background.** On April 15, 2025, the Executive Order (E.O.) 14275 on 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." On May 31, 2025, the enclosed class deviation was issued for the use of all Revolutionary FAR Overhaul (RFO) model deviation texts and corresponding EDAR deviations.
- 3. Summary of Changes.** FAR Part 42, Contract Administration and Audit Services, has been streamlined from 17 subparts to 13, and places more emphasis on contractor performance evaluations and using performance information throughout the acquisition lifecycle, not just for source selection information.

The update removes language limiting past performance information to future "source selection" purposes and places an end date (April 1, 2026) on when evaluations should be marked as source selection.

This revision signals to acquisition teams that past performance information may be used throughout the acquisition lifecycle.

In addition, the deviated text makes certain permissive considerations during performance evaluations mandatory. For example, section 42.1503(b) previously suggested considerations to document on an evaluation report, but the deviated text (42.1103(b)) now states that these areas **must** be documented. This emphasizes the

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importance of documenting key information consistently.

Finally, the deviated text removes the limitation on evaluating performance on AbilityOne contracts (previously at 42.1502(h)). With removal of this limitation, contracting activities can now document performance evaluations for AbilityOne contractors, providing a useful tool to motivate good contract performance by AbilityOne contractors, and enabling high-performing AbilityOne contractors to use positive performance evaluations to compete for new opportunities.

Statutory requirements retained in the RFO FAR Part 42 model deviation include, but are not limited to, the following:

- 10 U.S.C. §§ 3741 et seq and 41 U.S.C. §§ 4301 et seq, Allowable Costs
- 10 U.S.C. § 3841 and 41 U.S.C. § 4706, Contractor Audits and Accounting
- 11 U.S.C. §§ 501 et seq, Creditors and Claims
- 31 U.S.C. § 1535, The Economy Act
- 41 U.S.C. § 1126, Policy Regarding Consideration of Contractor Past Performance
- 41 U.S.C. § 1326, Requirements for Executive Agencies
- 41 U.S.C. § 2313, Database for Federal Agency Contract and Grant Officers and Suspension and Debarment Officials
- 41 U.S.C. § 3102, Delegation and Assignment of Powers, Functions, and Responsibilities
- 41 U.S.C. § 4504, Conditions for Progress Payments
- 41 U.S.C. § 6305, Assignment of Contracts Act

Change	Description
<b>Retained</b>	<ul style="list-style-type: none"> <li>• Subpart 42.1, “<b>Contract Audit Services</b>”, is streamlined with plain language updates.</li> <li>• Subpart 42.2, “<b>Contract Administration Services</b>”, is streamlined with plain language updates.</li> <li>• Subpart 42.3, “<b>Contract Administration Office Functions</b>”, is retained. The list of 71 functions has been updated with plain language and revised cross-references to align with the new part structure.</li> <li>• <b>Most provisions and clauses</b> have been retained (or remain reserved) with no changes. The only exception is noted in the “Moved/Updated” section below.</li> </ul>
<b>Moved / Updated</b>	<ul style="list-style-type: none"> <li>• Subpart 42.4, “<b>Corporate Administrative Contracting Officer</b>”, is renumbered from subpart 42.6 and streamlined.</li> <li>• Subpart 42.5, “<b>Indirect Cost Rates</b>”, is renumbered from</li> </ul>

	<p>subpart 42.7 and streamlined.</p> <ul style="list-style-type: none"> <li>• Subpart 42.6, “<b>Disallowance of Costs</b>”, is renumbered from subpart 42.8 and streamlined.</li> <li>• Subpart 42.7, “<b>Bankruptcy</b>”, is renumbered from subpart 42.9 and streamlined.</li> <li>• Subpart 42.8, “<b>Production Surveillance and Reporting</b>”, is renumbered from subpart 42.11 and streamlined.</li> <li>• Subpart 42.9, “<b>Novation and Change-of-Name Agreements</b>”, is renumbered from subpart 42.12 and streamlined.</li> <li>• Subpart 42.10, “<b>Suspension of Work, Stop-Work Orders, and Government Delay of Work</b>”, is renumbered from subpart 42.13 and streamlined.</li> <li>• Subpart 42.11, “<b>Contractor Performance Information</b>”, is renumbered from subpart 42.15. The structure of the “policy” and “procedures” sections (formerly 42.1502 and 42.1503, now 42.1102 and 42.1103) has been substantially improved. The subpart uses more headings, numbered lists, and subparagraphs to break down complex requirements into more digestible components. <ul style="list-style-type: none"> <li>○ Subsection 42.1101 removes language limiting past performance information to future “source selection” purposes <ul style="list-style-type: none"> <li>▪ <b>From:</b> “Past performance information (including the ratings and supporting narratives) is relevant information, for <b>future source selection purposes</b>, regarding a contractor’s actions under previously awarded contracts or orders.”</li> <li>▪ <b>To:</b> “Past performance information (including the ratings and supporting narratives) is relevant information, <b>for future purposes</b>, regarding a contractor’s actions under previously awarded contracts or orders.”</li> </ul> </li> <li>○ Subsection 42.1103(d)(4) provides an end date for marking performance evaluations as source selection. It now states, “<b>Evaluations of contractor performance developed on contracts awarded prior to April 1, 2026 should be marked ‘Source Selection Information’</b>”. This update emphasizes</li> </ul> </li> </ul>
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	<p>that past performance information is no longer limited only to future source selection purposes.</p> <ul style="list-style-type: none"> <li>○ Subsection 42.1103(f) <b>replaces the reference to FAPIIS</b> (formally at 42.1503(g)) with the “responsibility/qualification reports in the System for Award Management (SAM), at SAM.gov”.</li> <li>● Subpart 42.12, “<b>Small Business Contract Administration</b>”, is renumbered from subpart 42.16 and streamlined.</li> <li>● Subpart 42.13, “<b>Forward Pricing Rate Agreements</b>”, is renumbered from subpart 42.17 and streamlined.</li> <li>● The following <b>clause has been updated</b> to align cross-references: <ul style="list-style-type: none"> <li>○ 52.242-3 (Clause), Penalties for Unallowable Costs</li> </ul> </li> <li>● The <b>FAR Companion</b> is expected to include best practice information not required in the FAR, on the following content: <ul style="list-style-type: none"> <li>○ Uses of performance information</li> <li>○ Interagency agreements</li> <li>○ Cognizant federal agency</li> <li>○ Contract administration functions</li> <li>○ Contract correspondence</li> <li>○ Visits to contractors’ facilities</li> <li>○ Evaluation of contract administration functions</li> <li>○ Postaward orientation</li> <li>○ Selecting contracts for postaward orientation</li> <li>○ Postward subcontractor conferences</li> <li>○ Procedures, related to distribution of documentation of indirect contract rates</li> <li>○ Production surveillance and reporting requirements</li> <li>○ Evaluation of Federal Prison Industries (FPI) performance</li> </ul> </li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>● Former subparts 42.4, “<b>Correspondence and Visits</b>”, and 42.5, “<b>Postaward Orientation</b>”, are removed. Best practice content is expected to be moved to the <b>FAR Companion</b>.</li> <li>● 42.1502 paragraph (h) is removed to allow for past performance evaluations of AbilityOne.</li> </ul>

This table is not an exhaustive list

#### 4. Instructions.

- The Department of Education’s acquisition workforce shall follow the RFO Part 42 model deviation text instead of FAR Part 42 as codified at 48 CFR Chapter 1. The Council’s RFO Part 42 model deviation text is available at <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-42> and is incorporated into this class deviation. A separate Acquisition Alert will be issued for any corresponding changes to EDAR Part 3442.
- For new solicitations or contracts, when using any provisions or clauses that have been revised, utilize the RFO model deviation language at <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-52>.
- For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

5. **Training.** Acquisition Professionals are highly encouraged to complete “Practitioner Album: FAR Part 42 – Contract Administration and Audit Services” at [https://www.acquisition.gov/sites/default/files/practitioner\\_albums/far-part-42-contract-administration-and-audit-services/content/index.html#/](https://www.acquisition.gov/sites/default/files/practitioner_albums/far-part-42-contract-administration-and-audit-services/content/index.html#/) within 30 days. Please complete the Practitioner Album and mark “yes” under the completion attestation within FAI CSOD.

6. **Effective Date.** This class deviation to FAR Part 42 is effective January 30, 2026, and remains in effect until rescinded or incorporated into the FAR.

7. **Points of Contact.** Direct questions regarding this class deviation to your respective policy points of contact.

8. **Enclosure.** Determination and Findings - Class Deviation for the Revolutionary FAR Overhaul

**DETERMINATION AND FINDINGS**  
Department of Education, All Contracting Activities  
Class Deviation for the Revolutionary FAR Overhaul

This approves a class deviation to all Federal Acquisition Regulation (FAR) and Department of Education Acquisition Regulation (EDAR) parts for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text.

**Findings**

On April 15, 2025, the Executive Order (E.O.) 14275 on 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."

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

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

In explaining the Federal Acquisition System, the RFO FAR Part deviation text establishes bedrock principles. Most centrally, it sets a "mission first" message at the top of the guiding principles. The RFO model deviation also increases the emphasis on the best use of taxpayer dollars and calls out the value of time as another guiding principle. Additionally, it retains a focus on satisfying the customer, maximizing use of commercial products and services, promoting competition, and encouraging innovation.

The FAR Council Deviation guidance allows for agencies to deviate agency acquisition regulation supplements as it relates to the RFO.

**Determination**

In accordance with FAR 1.404 and EDAR 3401.404, I hereby issue a class deviation for the use of all RFO model deviation texts and corresponding EDAR deviations. The adoption date for each RFO part model deviation text will be the date of the corresponding Acquisition Alert. EDAR deviation texts may be issued in a separate Acquisition Alert. All Department of Education contracting activities must follow the RFO model deviation texts instead of the FAR Parts codified at 48 CFR. Should the language of the RFO FAR contradict any statutorily granted procurement authorities to the Department of Education including the Office of Federal Student Aid, the statutorily granted authorities prevail.

In the unlikely event that the Department wishes to vary from a RFO model deviation text, a separate deviation will be issued. This class deviation will remain in effect until incorporated into the FAR, EDAR or rescinded.

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Richard Lucas

Date

Acting Chief Acquisition Officer (CAO)