

MKU-DEV-2025-48

**MEMORANDUM FOR MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION (UDALL FOUNDATION)
CONTRACTING ACTIVITIES**

DATE: December 2, 2025

SUBJECT: Class Deviations for FAR Part 32 in support of Executive Order 14275, *Restoring Common Sense to Federal Procurement*

FROM: David P. Brown, Executive Director

1. **Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 32 for purposes of implementing the Federal Acquisition Regulatory Council's ("the Council's" or "RFO") model deviation text to FAR Part 32.
2. **Background.** On April 15, 2025, President Trump signed Executive Order (E.O.) 14275, "Restoring Common Sense to Federal Procurement" to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of E.O. 14192, "Unleashing Prosperity Through Deregulation," signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people. E.O. 14275 orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies, to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released Memorandum M-25-26, "Overhauling the Federal Acquisition Regulation," that directs all agencies to "Generally issue individual or class deviations to implement the FAR Council's deregulated coverage within 30 days after the Council releases its model deviation text [and] Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov."

Also on May 2, 2025, the Acting Administrator for Federal Procurement Policy at OMB released a Memorandum, "Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation." This Memorandum advises that agencies using the RFO model class deviation text do not need to further coordinate with the Council; class deviations that differ from the RFO model text require Council approval unless the difference is necessary to address agency-specific statutory direction.

On September 30, 2025, the FAR Council issued completed revisions for FAR Part 32, Contract Financing, and FAR Part 52 provisions and clauses. The updated text has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller dollar purchases.

Statutory requirements retained in the RFO FAR part 32 model deviation include, but may not be limited to, the following:

- 10 U.S.C. §§ 3801 et seq and 41 U.S.C. §§ 4501 et seq, Contract Financing
- 31 U.S.C. § 1341, Anti-Deficiency Act
- 31 U.S.C. § 3324, Advances
- 31 U.S.C. § 3711, Debt Collection Improvement Act of 1996
- 31 U.S.C. § 3727 and 41 U.S.C. § 6305, Assignment of Claims Act of 1940
- 31 U.S.C. §§ 3901 et seq, Prompt Payment Act
- 50 U.S.C. §§ 4501 et seq, Defense Production Act of 1950
- Pub. L. 102-190 Sec 806 as amended (10 U.S.C. § 4601 note prec.), Government-wide Application of Payment Protections for Subcontractors and Suppliers

Change	Description
Retained	• Section 32.001, “Definitions” is retained with plain language updates. • Most provisions and clauses are retained (or remain reserved). Exceptions are noted in the “Moved/Updated” section below.
Moved/Updated	• Section 32.000, “Scope of Part,” is updated to include the statutory references for the part. ○ This section adds “(k) Fast payment procedures” to correspond with the newly introduced Subpart 32.12. • Section 32.002, “Applicability of subparts,” adds reference to “Subpart 32.12, Fast Payment Procedure.” • Subpart 32.12, “Fast Payment Procedure,” formerly at subpart 13.4 is added to the part. This procedure is a method for expediting payments on certain small-dollar supply contracts where traditional receiving and acceptance processes are impractical. Moving the procedure to part 32 enhances acquisition agility. • The following clauses are updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content: ○ 52.232-3 (Clause), Payments Under Personal Services Contracts ○ 52.232-12 (Clause), Advance Payments ▪ Including “Advance Payments Without Special Account” ○ 52.232-16 (Clause), Progress Payments ○ 52.232-20 (Clause), Limitation of Cost ○ 52.232-22 (Clause), Limitation of Funds ○ 52.232-36 (Clause), Payment by Third Party • The following clause is added to the part: ○ 52.232-90 (Clause), Fast Payment Procedure (previously at 52.213-1)

	• The FAR Companion is expected to contain best practices and guidance on the following: ○ Contract Financing Payments ○ Advance Payments for Other Than Commercial Acquisitions ○ Deferment of Collection ○ Limitation of Cost
Removed	• Paragraph (d) under section 32.102, “Description of contract financing methods” is deleted and marked reserved. The content was largely explanatory, as the requirement to pay for accepted partial deliveries is a standard payment method governed by Prompt Payment rules in Subpart 32.9 and standard payment clauses, not a form of contract financing. See the FAR Companion for best practice. • Sections 32.304 through 32.306, under subpart 32.3, “Loan Guarantees for Defense Production” are deleted and marked reserved. These sections and associated subsections provided extensive procedural details for the loan guarantee program. While the program's authority remains in sections 32.302 and 32.303, the responsibility for implementation procedures is with the individual guaranteeing agencies and does not need to be spelled out in detail in the FAR. • Section 32.403 “Applicability,” under subpart 32.4, “Advance Payments for Other Than Commercial Acquisitions,” is deleted and marked reserved. The language provided a detailed list in paragraphs (a) through (h), of eight specific categories where advance payments might be appropriate. This served as illustrative guidance and a non-exhaustive checklist that is not based in statute or required in the FAR. See the FAR Companion for best practice.

This table is not an exhaustive list.

3. **Determination.** To fully comply with E.O. 14275, OMB implementation guidance, and direction related to use of model deviations, and the model deviations for revised FAR Part 32, the Udall Foundation shall follow the RFO Part 32 model deviation text instead of FAR Part 32 as codified at 48 CFR Chapter 32. The FAR Council’s RFO Part 32 model deviation text is available at Acquisition.gov, under the “FAR Overhaul” link. This deviation applies to all solicitations and new contracts as of the date of the Memorandum. This deviation does not apply to contracts signed and executed on or before the date of this Memorandum.
4. **Instructions.** The Udall Foundation acquisition workforce shall follow the RFO Part 32 model deviation text instead of FAR Part 32 as codified at 48 CFR Chapter 32 and the RFO Part 52 model deviation text of FAR Part 52 as codified at 48 CFR Chapter 52. The Council’s RFO Parts 32 and 52 model deviation text are available at Acquisition.gov, under the “FAR Overhaul” link, and are incorporated into this class deviation.

For new solicitations or contracts, when using any provisions or clauses that have been revised, the Udall Foundation acquisition workforce shall use the RFO model deviation language at RFO FAR 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.

The Udall Foundation acquisition workforce shall review templates and related standard operating procedures to align with this deviation and remove unnecessary processes or steps.

A copy of this Class Deviation will be provided to the FAR Secretariat at gsaregsec@gsa.gov.

5. **Applicability.** This class deviation applies to all Udall Foundation procurements.
6. **Authority.** This class deviation is issued under the authority of E.O. 14275, OMB Memo M-25-26, and 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.

Points of Contact. Questions regarding this class deviation may be directed to the Udall Foundation General Counsel, Gwendolyn Franks, at franks@udall.gov.