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MKU-DEV-2025-29

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

DATE: September 15, 2025

SUBJECT: Class Deviations for FAR Part 48 in support of Executive Order 14275, *Restoring Common Sense to Federal Procurement*

FROM: David P. Brown, Executive Director DAVID BROWN Digitally signed by DAVID BROWN Date: 2025.09.15 12:37:31 -07'00'

1. **Purpose**. This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 48 for purposes of implementing the Federal Acquisition Regulatory Council's ("the Council's" or "RFO") model deviation text to FAR Part 48.

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 August 28, 2025, the FAR Council issued completed revisions for FAR Part 48, Value Engineering, and FAR Part 52 provisions and clauses. The text has been updated to be more direct, active, and accessible. The model deviation text removes nearly 3,000 words (70%) from the current language.

Statutory and executive requirements retained in the RFO FAR Part 48 model deviation include, but are not limited to, the following:

- 41 U.S.C. § 1711, Value Engineering
- OMB Circular A-131, Value Engineering

Change	Description

Retained	• Sections 48.101, "General," and 48.102, "Policies," are retained and significantly streamlined.
	• Prescriptive information previously covered within section 48.104, "Sharing arrangements" is retained in the following clauses:
	  o 52.248-1 covers information previously at 48.104-1, "Determining sharing period"
	  o 52.248-1(f) and (g) covers information previously at 48.104-2, "Sharing acquisition savings"
	  o 52.248-1(j) covers information previously at 48.104-3, "Sharing collateral savings"
	  o 52.248-1(i)(5) covers information previously at 48.104-4, "Sharing alternative-no-cost settlement method"
	• Prescriptive information previously covered in section 48.105, "Relationship to other incentives" is retained in clause 52.248-1(k).
	• All clauses are retained with no changes to the text.
	  o 52.248-1 Value Engineering
	  o 52.248-2 Value Engineering—Architect-Engineer
	  o 52.248-3 Value Engineering—Construction

Removed	• Section 48.000, "Scope of Part" is removed as the content is self-evident and did not add value.
	• The following terms are removed from section 48.001, "Definitions" as they were duplicative of definitions in clause 52.248-1, Value Engineering:
	  o Government costs
	  o Negative instant contract savings
	  o Net acquisition savings
	• Information in section 48.102(f) on calculating profit or fees for value engineering change proposal savings will be covered in the FAR Companion Guide.
	• Section 48.103, "Processing value engineering change proposals" is removed because required information is covered in the clauses at 52.248-1 and 52.248-3. Additional information on implementing approaches and principles will be covered in the FAR Companion Guide.
	• Information within section 48.104, on establishing sharing periods and rates will be covered in the FAR Companion Guide.

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 48, the Udall Foundation shall follow the RFO Part 48 model deviation text instead of FAR Part 48 as codified at 48 CFR Chapter 48. The FAR Council's RFO Part 48 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 48 model deviation text instead of FAR Part 48 as codified at 48 CFR Chapter 48 and the RFO Part 52 model deviation text of FAR Part 52 as codified at 48 CFR Chapter 52. The Council's RFO Parts 48 and 52 model deviation text are available at Acquisition.gov, under the "FAR Overhaul" link, and are incorporated into this class deviation.

   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.