



PROCUREMENT MEMORANDUM 2025-16

ACTION

MEMORANDUM FOR: Senior Bureau Procurement Officials

FROM: Olivia J. Bradley
Senior Procurement Executive and
Director for Acquisition Management

SUBJECT: Federal Acquisition Regulation (FAR) Class Deviation for FAR Part 31 in Support of Executive Order on Restoring Common Sense to Federal Procurement

Background

On May 2, 2025, the Federal Acquisition Regulatory Council (the Council) issued a memorandum entitled, “Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation,” to provide guidance to agencies to support the issuance of FAR deviations to implement Executive Order 14275, “Restoring Common Sense to Federal Procurement,” and OMB Memorandum M-25-25, “Overhauling the Federal Acquisition Regulation.” This guidance states that agencies should issue agency-specific class deviations within 30 days after the Council has released class deviation text on [acquisition.gov](https://www.acquisition.gov). On July 17, 2025, the Council released deviated language for FAR Part 31.

FAR Part 31, Contract Cost Principles and Procedures, anchored in federal appropriations law, has been streamlined to provide only the essential requirements for the pricing of contracts, subcontracts, and modifications whenever cost analysis is performed. Statutory requirements and principles retained in the FAR Part 31 model deviation include, but are not limited to, the following:

- Armed Services Procurement Act of 1947, Public Law 413
- 41 U.S.C. Chapter 43 and 10 U.S.C. Chapter 273, Allowable Costs
- 31 U.S.C. Chapter 37, Subchapter III, Claims Against the United States Government
- 18 U.S.C. § 1031, Major Fraud Against the United States
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments

Purpose

This class deviation is issued in accordance with FAR 1.304 and pursuant to the Council's memo entitled, "Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation," to provide contracting officers with revised FAR Part 31 language.

Required Actions

Effective immediately, contracting officers shall comply with the deviated FAR text found in Attachment A.

Effective Date

This deviation is effective immediately, and remains in effect until rescinded or incorporated into the FAR.

Questions

Please direct any questions regarding this Procurement Memorandum to OAM_Mailbox@doc.gov.

Attachment A – FAR Deviation Text