



Global Acquisitions

U.S. DEPARTMENT *of* STATE

Acquisition Alert 26-17

TO: All Contracting Activities

FROM: Sharon D. James
Acting Senior Procurement Executive
U.S. Department of State

SUBJECT: Federal Acquisition Regulation (FAR) Class Deviation for FAR Part 32 in Support of Executive Order on Restoring Common Sense to Federal Procurement

- 1. Introduction:** The purpose of this Acquisition Alert is to issue a FAR class deviation to Part 32 for purposes of implementing the Federal Acquisition Regulatory Council's model deviation text to that part.
- 2. Background:** On April 15, 2025, 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- Remove duplicative or outdated language;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 plain language;
- Revise language for the new FAR framework; and
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This class deviation is issued under the authority of E.O. 14275, OMB M-25-25, and 48 CFR 1.4.

Deviation Summary

FAR part 32, Contract Financing, has been updated to simplify the part and remove outdated information. It is reorganized and streamlined, combining related topics and removing repeated information. The revised language includes the following:

- There is a new subpart for Fast Payment Procedures for smaller dollar purchases. There is also a new clause: 52.232-90, Fast Payment Procedure. This information was previously in FAR 13.
- FAR 32.000, Scope of Part, now includes statutory references.
- Most clauses are retained without changes. The following clauses have been retained but revised for clarity and to update references:
 - 52.232-3, Payments Under Personal Services Contracts
 - 52.232-12, Advance Payments
 - 52.232-16, Progress Payments
 - 52.232-20, Limitation of Cost
 - 52.232-22, Limitation of Funds
 - 52.232-36, Payment by Third Party

Statutory requirements retained in the RFO FAR part 32 model deviation include 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

Non-statutory requirements removed from FAR part 32 include:

- FAR 32.102(d), Description of contract financing methods
- FAR 32.304 through 32.306, Loan Guarantees for Defense Production. The authority for this program remains in the FAR. However, the

extensive procedural details have been reserved, and individual agencies have the responsibility for implementation procedures.

The following guidance, procedures and best practices were moved to the FAR Companion:

- FAR 32.007(a)(b)(d), Contract financing payments
- FAR 32.403, Advance Payments for Other Than Commercial Acquisitions, Applicability
- FAR 32.607-2, (a)(b)(c)(d), Deferment of collection
- FAR 52.232-20, Limitation of Cost, Instructions

Corresponding DOSAR Deviation Summary

There is Department of State Acquisition Regulation (DOSAR) coverage of part 32 at DOSAR part 632. Changes were made to align with this part based on the FAR Overhaul changes and to update with current operational practices.

- 3. Acquisition Impact:** The changes resulting from this class deviation affect all DoS procurements issued on or after the effective date of the AA.
- 4. Action Required:** The acquisition workforce must follow the RFO part 32 model deviation text instead of FAR part 32 as codified at 48 CFR Chapter 1. The FAR Council's RFO model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul), and is incorporated into this class deviation.
 - a. For new solicitations or contracts, when using any provisions or clauses that have been revised, utilize the RFO model deviation language at RFO FAR part 52. Do not include any of the removed provisions or clauses in future solicitations and contracts.
 - b. 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.
- 5. Effective Date:** The model deviated language was released on September 30, 2025; however, this deviation will be effective on February 27, 2026.
- 6. Expiration Date:** This Acquisition Alert expires upon incorporation into the FAR, DOSAR, and/or DOSAM.

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7. Additional Information: Questions regarding this Acquisition Alert may be directed to AcquisitionPolicy@state.gov.

8. Attachments: [DOSAR Part 32 Deviation Line In Line Out](#)

9. Referenced Documents, Checklists, Guides and Templates:
[FAR Part 32 Practitioner Album](#)