



**U.S. Department
of Transportation**

1200 New Jersey Ave., S.E.
Washington, DC 20590

Office of the Secretary
of Transportation

SUBJECT: Class Deviation No. 2026-19 from the Federal Acquisition Regulation for FAR Part 32 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement

FROM: Chrishaun Jones
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TO: Department of Transportation Chiefs of the Contracting Offices

- I. Purpose:** This class deviation (CD) is issued under Federal Acquisition Regulation (FAR) part 1 and Transportation Acquisition Regulation (TAR) part 1201 and authorizes a class deviation to FAR part 32 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR part 32.
- II. Effective Date:** Immediately.
- III. 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- Remove duplicative or outdated language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 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.

FAR part 32, Contract Financing, has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller dollar purchases.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

The following table is not an exhaustive list but includes notable updates to FAR part 32.

Change	Description
Retained	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Section 32.000, “Scope of Part,” is updated to include the statutory references for the part. <ul style="list-style-type: none"> ○ 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 in the part, and/or to update cross-references or remove outdated content: <ul style="list-style-type: none"> ○ 52.232-3 (Clause), Payments Under Personal Services Contracts ○ 52.232-12 (Clause), Advance Payments <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ Contract Financing Payments ○ Advance Payments for Other Than Commercial Acquisitions ○ Deferral of Collection ○ Limitation of Cost

Removed	<ul style="list-style-type: none"> • 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.
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IV. Required Actions: All DOT Operating Administrations (OAs), the Office of the Secretary of Transportation (OST), and the Office of the Inspector General (OIG), excluding the Federal Aviation Administration (FAA) per RFO TAR 1201.104(d) shall follow the [RFO FAR part 32 model deviation text](#) instead of FAR part 32 as codified at 48 CFR chapter 1. The Council’s RFO FAR part 32 model deviation text is available at [Acquisition.gov/far-overhaul](#) and is incorporated by reference into this CD. A line-out version of the changes may also be found [here](#) for reference.

Heads of the Contracting Activities (HCAs) must ensure this deviation is disseminated to the acquisition workforce and ensure compliance with the requirements in the revised FAR part 32 guidance.

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](#).

For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses.

Contracting activities must review templates and related standard operating procedures to align with this class deviation and remove unnecessary processes and steps.

V. Applicability: This CD applies to all DOT OAs, OST, and OIG, excluding the FAA in accordance with TAR 1201.104(d).

VI. Expiration Date: This CD will remain in effect until it is incorporated into the FAR or is otherwise rescinded, whichever occurs first.

VII. Point of Contact: Questions or comments regarding this deviation may be directed to DOTAcquisitionPolicy@dot.gov.