



Office of the Chief
Acquisition Officer

Date: January 26, 2026

From: Darnese M. Wilkerson, Chief Acquisition Officer

To: Office of the Chief Acquisition Officer (OCAO)

Subject: CLASS DEVIATION (CD) in Support of Executive Order (EO) 14275, “Restoring Common Sense to Federal Procurement” - Deviation to FAR Part 32, Contract Financing

1. Purpose

This Class Deviation (CD) implements the FAR Council’s model deviation text for FAR Part 32, Contract Financing. This action aligns with Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement," and the Revolutionary FAR Overhaul (RFO) initiative.

The revised FAR Part 32 simplifies the part, removes outdated information, and adds a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller-dollar purchases.

2. Background

EO 14275, signed on April 15, 2025, established a policy that the FAR should contain only provisions required by statute or those essential for sound procurement. To implement this EO, the Office of Federal Procurement Policy (OFPP) is leading the Revolutionary FAR Overhaul (RFO) initiative, supported by the Federal Acquisition Regulatory Council. The initiative aims to eliminate unnecessary regulations and policies across all levels of the federal government.

Further guidance was provided by OMB Memorandum M-25-26, "Overhauling the Federal Acquisition Regulation," issued on May 2, 2025.

FAR Streamlining

As part of the RFO, the FAR will be streamlined to include only statutory requirements. Non-statutory content moved to new buying guides, collectively known as the Strategic Acquisition Guidance (SAG). The Council will first issue model deviation guidance by FAR part, followed by formal rulemaking through the notice and comment process. Agencies have 30 days to issue class deviations based on the model text once released.

A. Streamlining Agency Acquisition Supplements: Agencies must streamline their FAR supplements by removing regulations not based on statute or executive orders and by aligning with the FAR Council’s deviation guidance. Supporting policies must also be updated to reflect these changes. This is an excellent opportunity for NARA to formally publish a streamlined NARA FAR Supplement, ensuring consistency with the new FAR.

B. FAR Buying Guides and Supplemental Companion Guides (CG): As the FAR and agency supplements are streamlined, helpful non-regulatory content will be moved to these new FAR Buying Guides. These guides will offer practical instructions and best practices for implementing effective contracting methods, including those related to competition. The RFO Part 32 model deviation text is a plain language version that will be adhered to by all NARA contracting personnel.

3. Summary of Changes. 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

| Change | Description |
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| 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 throughout 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 ○ Deferment 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. |

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| | 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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This table is not an exhaustive list.

4. Instructions

- The NARA acquisition workforce shall follow the RFO Part 32 deviated text instead of FAR Part 32 as codified at 48 CFR Chapter 1. The FAR Council's RFO text is available at [FAR Overhaul - FAR Part 32 - Acquisition.gov](#) and is incorporated by reference into this deviation.
- 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.

5. Applicability

The requirements in this Class Deviation (CD) apply to all solicitations and contract actions issued or awarded on or after **February 1, 2026**.

6. Authority

This class deviation is issued under the authority of Executive Order 14275 and OMB Memorandum M-25-26, 48 CFR Subpart 1.4.

7. Effective Date

This CD is effective as of the date signed and shall remain in effect until the provisions of the RFO are formally implemented in the FAR through a final rulemaking.

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cc: NGC