



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary
Washington, D.C. 20201

FAR CLASS DEVIATION 2026-01 Amendment 3

MEMORANDUM TO: Heads of the Contracting Activities (HCAs)

FROM: Jennifer D. Johnson Signed by: 8/14/2026
Jennifer Johnson
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Deputy Assistant Secretary for Acquisitions and Senior Procurement Executive
Office of Acquisitions (OA)
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SUBJECT: **Amendment 3** to Federal Acquisition Regulation (FAR) Class Deviation (CD) No. 2026-01 in Support of Executive Order (EO) 14275, “Restoring Common Sense to Federal Procurement;” Deviation to FAR Parts 13, 14, 15, 16, 19, 22, 23, 25, 32, 37, 41, 42, 47, 53, and Applicable Portions of 52. – ***Updated RFO FAR Guidance & Implementation of EO 14402, Promoting Efficiency, Accountability, and Performance in Federal Contracting***

1. EFFECTIVE DATE: Immediately

2. EXPIRATION DATE:

This CD remains in effect until the changes described herein are incorporated in the FAR, superseded, or otherwise rescinded.

3. PURPOSE:

This FAR CD implements requirements to comply with [EO 14275, Restoring Common Sense to Federal Procurement](#), for the purposes of implementing the Federal Acquisition Regulatory Council’s (FAR Council) changes to RFO FAR parts 13, 14, 15, 16, 19, 22, 23, 25, 32, 37, 41, 42, 47, 53, and Applicable Portions of 52. It also incorporates and adopts the FAR Council’s model deviation text to the affected FAR parts.

Amendment 3 to FAR CD 2026-01 updates the CD to reflect the following:

- *The RFO model deviation text for FAR part 16 and associated part 52 were updated on July 1, 2026 to implement the requirements of [EO 14402, Promoting Efficiency, Accountability, and Performance in Federal Contracting](#), and*

- *Require HHS contracting staff to follow the updated RFO FAR part 16 model deviation text, which includes a new requirement for an approved written justification for covered contracts or orders.*

In addition, Amendment 3 contains all the previous guidance in Amendment 2 related to all other RFO FAR parts and associated provisions and clauses that were unchanged and remain in effect.

As a result, Amendment 2 to FAR CD 2026-01, signed on April 24, 2026, is hereby rescinded and superseded by this amendment.

4. APPLICABILITY:

The requirements in this CD apply to all HHS Divisions for applicable solicitations, contracts, and orders.

5. ROLES AND RESPONSIBILITIES:

Heads of the Contracting Activities (HCAs) must ensure this CD is disseminated to the acquisition workforce and ensure compliance with the requirements in the CD. Additionally, HCAs must review and update any applicable internal procedures and guidance to reflect the policies and guidance contained herein.

6. BACKGROUND:

On April 15, 2025, [EO 14275, Restoring Common Sense to Federal Procurement](#), was signed. Section 2 of the EO 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. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

Between September 18, 2025 – September 30, 2025, the FAR Council issued RFO model deviation text for RFO FAR parts 13, 14, 15, 16, 19, 22, 23, 25, 32, 37, 41, 42, 47, 53 and updated corresponding Affected Part 52.

On November 21, 2025, HHS issued FAR CD 2026-01 approving a class deviation to FAR parts 13, 14, 15, 16, 19, 22, 23, 25, 32, 37, 41, 42, 47, 53 and updated corresponding affected part 52.

On February 20, 2026, GSA decommissioned the Electronic Subcontracting Reporting System (eSRS.gov), moving subcontracting reporting to SAM.gov, as part of the ongoing effort to modernize the suite of federal acquisition systems. To align with this change, the FAR Council has amended the FAR part 19 model deviation text.

On March 16, 2026, HHS issued Amendment 1 to provide guidance to implement the updated RFO FAR part 19 model deviation text, including the updated clause at FAR 52.219-9, Small Business Subcontracting Plan. In addition, it provided clarifying guidance related to competing 8(a) orders when the acquisition is below the competitive threshold (see 19.108-7(a)(2)).

Also on March 16, 2026, the FAR Council updated RFO FAR part 25 model deviation text to reflect updated thresholds as outlined in [FAR Case 2025-007, Trade Agreements Thresholds, Final Rule](#), effective March 13, 2026.

On April 20, 2026, the FAR Council issued updated RFO model deviation text for FAR part 9. This update implements requirements of [EO 14398, Addressing DEI Discrimination by Federal Contractors](#), dated March 26, 2026. EO 14398 establishes that agencies should not do business with contractors that engage in any racially discriminatory diversity, equity, and inclusion (DEI) activities (91 FR 16147, March 31, 2026).

On April 24, 2026, HHS issued Amendment 2 which consolidated all previously issued guidance as well as provides guidance to adopt the updated RFO FAR part 22 model deviation text, including the new clause at FAR 52.222-90, Addressing DEI Discrimination by Federal Contractors.

On June 30, 2026, the FAR Council in coordination with OMB issued guidance and updated RFO model deviation text for FAR part 16. This update implements requirements of [EO 14402, Promoting Efficiency, Accountability, and Performance in Federal Contracting](#), issued on April 30, 2026.

EO 14402 establishes that fixed-price contracts with performance-based considerations should serve as the default and preferred method of procurement in order to advance cost predictability and budget discipline, appropriate contractor incentives and accountability, and streamlined procurement and contract administration. Section 2(f) of the EO directs agencies to utilize applicable deviations from provisions of the FAR to comply with the provisions of the EO before the amendments to the FAR are completed.

This Amendment 3 provides guidance to adopt the updated RFO FAR part 16 model deviation text and provides due dates for written justifications on covered contracts.

7. POLICY/GUIDANCE:

HHS contracting staff must comply with the following:

- A.** Follow the RFO FAR parts 13, 14, 15, 16 (**updated on July 1, 2026**), 19 (updated on February 20, 2026), 22 (updated on April 20, 2026), 23, 25 (updated on March 16, 2026), 32, 37, 41, 42, 47, 53, including the corresponding part 52 model deviation text, instead of FAR parts 13, 14, 15, 16, 19, 22, 23, 25, 32, 37, 41, 42, 47, 53, and applicable portions of 52, as codified at 48 CFR