

Date: November 12, 2025

From: Acting Executive Director, Office of Acquisition and Logistics (003A), and Acting Senior Procurement Executive

Subj: Class Deviation for FAR Part 32 in Support of Executive Order on Restoring Common Sense to Federal Procurement

To: Heads of the Contracting Activities

1. Purpose. Deviate from Federal Acquisition Regulation (FAR) part 32 for purposes of implementing the Federal Regulatory Council's (the Council's) model deviation text to FAR part 32.

2. Background. [Executive Order \(E.O.\) 14275, Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the FAR.

The FAR is being updated to:

- Eliminate non-statutory language
- Remove redundant or obsolete language
- Enhance clarity through plain language
- Align with the new FAR framework
- Preserve essential 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.

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 FAR part 32, Contract Financing, has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller dollar purchases.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

- 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
- P.L. 102-190 § 806 as amended, Government-wide Application of Payment Protections for Subcontractors and Suppliers

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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 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 ○ Deferral of Collection ○ Limitation of Cost

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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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This table is not an exhaustive list.

4. Instructions.

- The VA acquisition workforce must follow the RFO part 32 model deviation text instead of FAR part 32 as codified at 48 C.F.R. Chapter 1. The Council’s RFO part 32 model deviation text is available at www.Acquisition.gov/far-overhaul and is incorporated into this class 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. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.
- Contracting activities must review templates and related standard operating procedures to align with this class deviation and remove unnecessary

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processes and steps.

5. Applicability. All VA procurements.

6. Authority. [E.O. 14275](#), [OMB Memorandum M-25-26](#), [48 C.F.R. Subpart 1.4](#), and [RFO FAR 1.304](#).

7. Effective Date. This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.

8. Point of Contact. Questions related to this deviation may be directed to va.procurement.policy@va.gov.

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