

FEDERAL ACQUISITION REGULATION (FAR)

The Secretary of Defense, the Administrator of General Services, and the Administrator of National Aeronautics and Space are members of the Federal Acquisition Regulatory Council (FAR Council) and jointly issue and maintain a single Government-wide procurement regulation known as the Federal Acquisition Regulation (FAR). The FAR is the primary set of rules that governs how federal agencies purchase goods and services. It ensures consistency, fairness, and transparency across government contracts, helping agencies obtain the best value while complying with federal laws and policies. The FAR Council, which is chaired by the Administrator of Federal Procurement Policy, assists in the direction and coordination of Government-wide procurement policies to be implemented in the FAR.

Rulemaking Priorities

Pursuant to Executive Order 12866, "Regulatory Planning and Review" (September 30, 1993), as reaffirmed and amended in Executive Order 13563, "Improving Regulation and Regulatory Review" (January 18, 2011), the Regulatory Plan and Unified Agenda provide public notice about the FAR Council's proposed regulatory and deregulatory actions within the Executive Branch. The FAR Council agenda complies with Executive Order 14192, Unleashing Prosperity Through Deregulation.

The Fall 2025 Unified Agenda consists of 29 active agenda items, including 13 deregulatory actions.

Regulatory Reform

Executive Order (E.O.) 14275, Restoring Common Sense to Federal Procurement, directs the elimination of excessive acquisition regulations to stop the inefficient use of American taxpayer dollars. The EO directs the first comprehensive end-to-end overhaul of the FAR in its 40-year history. The E.O. establishes that the FAR should "contain only provisions that are required by statute or that are otherwise necessary

to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests."

In response to E.O. 14275, the Office of Management and Budget issued memorandum M-25-26, Overhauling the Federal Acquisition Regulation. The Memo directed the FAR Council to complete a "revolutionary overhaul" of the FAR. The overhaul is meant to return the FAR "to its statutory roots" and remove text that is not "required by statute or essential to sound procurement."

The Revolutionary FAR Overhaul (RFO) is not a routine incremental update to the FAR. The rewrite of the FAR represents a paradigm shift in federal acquisition. It emphasizes streamlining, clarity, and accessibility, while ensuring that the regulation focuses only on statutory mandates and foundational procurement principles. The RFO is designed to simplify compliance for contracting professionals, improve acquisition speed and agility, and reinforce mission outcomes over process formalities.

Prior to formalizing the deregulatory RFO initiative through rulemaking, the FAR Council kickstarted the streamlining efforts by issuing a model "plain language class deviation text" for agencies to adopt. These model deviations retained limited non-statutory coverage when necessary to advance core stewardship principles and practices. Feedback was sought from both industry and the acquisition workforce on the model deviation text. Specifically, the FAR Council sought feedback on the clarity, usability, and effectiveness of the model deviation text, including what worked, what was confusing, and where additional support may be needed. That feedback is being considered in the drafting of the rules that pertain to the RFO initiative.

Streamline Regulation

The RFO will generally reorganize the FAR parts into phases of acquisition and simplify the text into plain language, where possible. The plain language efforts include changes to active voice, edits to improve readability, and reorganization to present information more logically. Based on the results of the RFO model text, the FAR Council anticipates adopting through rulemaking many of the changes which include the reduction of “shall/must” requirements aimed at alleviating burden that was not essential to sound procurement, and removal of approximately 171,000 words or 339 pages of unnecessary regulation.

The RFO rulemaking will optimize the use of existing contracts in accordance with E.O. 14240, Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement, and OMB Memo M-25-31, Consolidating Federal Procurement Activities. Using existing governmentwide contracts first to meet agencies’ needs before undertaking the time and expense of creating a new contract on the open market will reduce inefficiencies, eliminate duplicative contracts, and streamline federal acquisitions.

The RFO rulemaking will emphasize the procurement of commercially available products and services to fulfill the Government’s needs which aligns with E.O. 14271, Ensuring Commercial, Cost-Effective Solutions in Federal Contracts, while also reducing requirements and complexity to better align with commercial practices. Moreover, the FAR Council will use its authority from section 839(a) of the John S. McCain National Defense Authorization Act for fiscal year 2019 to review the applicability of certain clauses and provisions to contracts and subcontracts for commercial products, including commercially available off-the-shelf (COTS) items, and commercial services and eliminate or exempt such requirements from commercial acquisitions, unless there are specific reasons to retain particular requirements. The FAR Council is approaching section 839 as an important action-forcing opportunity to re-evaluate the regulatory underpinnings for commercial acquisitions with a goal of making inapplicable requirements within its discretion that do not directly further the efficiency and effectiveness of acquisition processes.

Promote Open Government

The RFO opens the door for increased participation by innovative small businesses, manufacturers, new entrants, and others who have not traditionally worked with federal agencies. By removing policies that are not essential to sound procurement or explicitly required by law or E.O., this initiative reduces the burden on industry. This simplification translates to lower administrative costs, freeing up resources for companies to focus on innovation and delivering high-quality goods and services. The reduced complexity encourages participation from those who may have previously been deterred by the cumbersome nature of federal contracting, fostering a more competitive and dynamic marketplace. This ultimately allows federal agencies to access a broader range of solutions and achieve better value for taxpayer dollars.

Exchanges between the government and offerors in Federal acquisition are crucial for improving the understanding of government requirements and industry capabilities, identifying weaknesses or deficiencies in proposals, and ultimately allowing both parties to achieve the Government's "best value" goal by strengthening proposals and obtaining better deals through clarification or negotiation. These communications ensure proposals are strengthened, ambiguities are resolved, and the government secures the highest quality supplies or services at the best possible price. The RFO rulemaking will redefine meaningful exchanges between the government and offerors, providing needed clarity to both terminology and processes for negotiated procurements.

Support Small Business

As part of the RFO, the FAR Council sharply reduced burdens on and created numerous new opportunities for small business. Most small business opportunities are in the acquisition of commercial products and services. Across the RFO, the FAR emphasizes a message to buy commercial products and services. This should create many small opportunities for small businesses.

Further, the FAR Council reduced the burden on small businesses by 30% through the rewrite of FAR Part 12. The streamlined and simplified procedures will enable contracting officers to make decisions faster, reducing carrying costs for small businesses. Additionally, the overhauled FAR emphasizes acquisition planning should be a living, on-going process. It highlights early engagement, a step which is critical to ensuring that small businesses receive opportunities. Even the requirement to register to do business with the Government was streamlined by eliminating half the information required. (System changes pending). Unifying the documentation and notification requirements for consolidation, bundling, and substantial bundling will provide greater transparency for small businesses. Finally, the FAR Council maintained set-aside rules for contracts and encouraged set-asides on orders under multiple award contracts.

Supporting Other Administration Initiatives

In addition to supporting the Administration's priority to deregulate and reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security, the RFO rulemakings incorporate changes to the regulation to implement other Administration initiatives. The proposed rules will—

- Remove the burdensome requirements of E.O. 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability in accordance with E.O. 14148, Initial Rescissions of Harmful Executive Orders and Actions.
- Enforce our longstanding civil-rights laws by implementing E.O. 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, which removes the regulations related to the implementation of E.O. 11246, Equal Employment Opportunity.

- Remove terms in the FAR that are inconsistent with E.O. 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.
- Enhance the workforce mobility of America's cybersecurity practitioners to improve America's national cybersecurity through the implementation of E.O. 13870, America's Cybersecurity Workforce.
- Strengthen national resilience through the implementation of E.O. 13905, Strengthening National Resilience Through Responsible Use of Positioning, Navigation, and Timing Services.

Rules to Support National Security

To enhance and secure federal supply chains, protect and modernize critical infrastructure, support domestic technology and manufacturing and protect against foreign adversary threats, the FAR Council is prioritizing rules that support national security.

FAR Case 2023-008, "Prohibition on Certain Semiconductor Product and Services," will implement paragraphs (a), (b), and (h) in section 5949 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 that prohibits executive agencies from procuring or obtaining certain products and services that include covered semiconductor products or services effective December 23, 2027.

FAR Case 2021-017, "Cyber Threat and Incident Reporting and Information Sharing," will increase the sharing of information about cyber threats and incident information and require certain contractors to report cyber incidents to the Federal Government to facilitate effective cyber incident response and remediation pursuant to sections 2(b), (c), (g)(i) and 8(b) of Executive Order 14028, "Improving the Nation's Cybersecurity."

FAR Case 2021-019, "Standardizing Cybersecurity Requirements for Unclassified Information Systems," will standardize cybersecurity contractual requirements across Federal agencies for unclassified information systems pursuant to sections 2(i) and 8(b) of Executive Order 14028, Improving the Nation's Cybersecurity.

FAR Case 2023-002, "Supply Chain Software Security," will require suppliers of software available for purchase by Federal agencies to comply with, and attest to complying with, applicable secure software development practices pursuant to section 4(n) and 4(k) of Executive Order 14028, Improving the Nation's Cybersecurity, and Office of Management and Budget Memorandum 22-18 and 23-16.

Dated:

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BILLING CODE 6820-E