

Transition – A Presidential Change Update

May 2025

FAR 2.0: The FAR Revolution is Here

Key Notes:

- The OMB and FAR Council outline a two-phase plan to accomplish the FAR overhaul.
- Federal Agencies are directed to *immediately* adopt revised FAR provisions before any regulatory process is undertaken.
- Revisions to FAR Parts 1 and 34 reflect shift toward a streamlined FAR.

In our last client [alert](#), we covered President Trump’s [Executive Order 14275](#) (EO), “Restoring Common Sense to Federal Procurement,” which calls for a sweeping overhaul of the Federal Acquisition Regulation (FAR) and other agency supplements. This pivotal shift in how the federal government approaches procurement has now been termed the “Revolutionary FAR Overhaul” (RFO) according to the RFO’s [website](#). On May 2, 2025, memos were issued by the Office of Management and Budget (OMB) and the FAR Council that shed light on how the RFO will play out and what rules will govern in the interim. In this second client alert of our series, we discuss those memos and what’s changing in the regulations so far.

OMB Memorandum

OMB’s [Memorandum M-25-25](#), “Overhauling the Federal Acquisition Regulation,” provides the initial “roadmap” for implementation of the EO. It clarifies that the Office of Federal Procurement Policy (OFPP) will lead the RFO effort in coordination with the FAR Council and federal agency leadership. In the memo, OMB explains that the RFO will create a streamlined FAR that refocuses the regulation on its “statutory roots,” which will involve the elimination of most non-statutory FAR provisions. Many of these non-

statutory provisions will be replaced by OFPP-approved “buying guides” that will presumably be non-binding. Per the EO’s “Regulatory Sunset” provision, any remaining non-statutory provisions will require renewal by the FAR Council every four years, potentially resulting in instability and unintended lapses in significant clauses. Together, the streamlined FAR and buying guides will be called the “Strategic Acquisition Guidance.”

The OMB Memorandum also addresses a critical question: How will this deregulation effort be implemented? OMB provides that the deregulatory process will occur in two phases.

In **Phase I**, the FAR Council will issue revised FAR parts on a rolling basis. These revised FAR parts will eliminate most non-statutory provisions and simplify statutory provisions with “clear, plain language.” Most importantly, these revised provisions will go into effect *immediately*, with broad class deviations issued concurrently with the release of each revised FAR part. In other words, the revised regulations will apply before any formal rulemaking or other consideration of public or industry input. That is an astounding break from the traditional regulatory processes preceding other major changes to the FAR, and lawsuits challenging this approach are expected. Yet this process has already started, with the revisions for FAR Parts 1 and 34 already published on the RFO website. Phase II will begin once all revised FAR parts and class deviations are issued.

In **Phase II**, the FAR will finally go through the formal notice-and-comment rulemaking process required by the Administrative Procedures Act and 41 U.S.C. § 1707, allowing public and industry feedback on the changes. This

will likely lead to an additional wave of major changes after the initial revisions and class deviations are published.

Presumably, once both phases of the FAR overhaul are completed, the regulation will be significantly streamlined. Regarding the accompanying buying guides, agency practitioners with demonstrated success in streamlining procurement will collaborate with government leadership and acquisition advocates to develop the guides.

FAR Council Memorandum

The FAR Council's [Memorandum](#), "Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation," directs federal agencies on implementing the FAR Council's class deviations and developing their agency-specific class deviations. Federal agencies are instructed to:

- Issue agency-specific class deviations within 30 days after the FAR Council's class deviation text is released on the RFO website.
- Request approval from the FAR Council to issue class deviations containing text that differs from the FAR Council's class deviations, unless the change is necessary to satisfy agency-specific statutory requirements.
- Request approval from the FAR Council to issue class deviations unrelated to the RFO.
- Provide their agency-specific class deviations to the FAR Secretariat to be posted on the RFO website.

What's Changing So Far?

As noted, the revised FAR Parts 1 and 34 (and related changes to the standard contract clauses in Part 52) are published on the RFO website. The OMB and FAR Council suggest that major changes are forthcoming, but the initial revisions are limited. Outlined below are a few notable changes.

FAR Part 1 – Federal Acquisition Regulations System

- **FAR Subpart 1.1**, which outlined guiding principles for government officials using the FAR, has been largely removed, streamlined or relocated. The remaining principles reflect the Trump administration's emphasis on simplifying procurement by prioritizing the purchase of "commercial products or commercial services rather than requiring Government-unique solutions." In line

with the EO, a new FAR 1.109 has been added to implement the "Regulatory Sunset."

- **FAR Subpart 1.2**, which previously addressed the maintenance of the FAR by the FAR Council and the FAR Secretariat, has been removed. Their roles are now addressed elsewhere: FAR 1.103 now cites the statutory basis for the FAR Council, while FAR 1.104(e) and FAR 1.304(b) identify the FAR Secretariat's responsibilities to publish the FAR and manage class deviation approvals, respectively.
- **FAR Subpart 1.5**, which formerly detailed the rulemaking process for acquisition policies and procedures, has also been revised and relocated. Under the new FAR 1.201(b), agencies must publish regulations in the *Federal Register* for public comment when required by 41 U.S.C. § 1707. The provision clarifies that publication is not necessary for regulations "that merely implement or supplement higher level issuances" unless any new or revised regulation "results in an additional significant cost or administrative impact on contractors or offerors or effect beyond the internal operating procedures of the issuing organization."

FAR Part 34 – Major System Acquisition

- **FAR Subpart 34.0**, which previously outlined the general requirements for major systems acquisitions, was not retained in the revised regulations. This is significant as this subpart contained regulations mandating the promotion of full and open competition in major systems acquisitions. The revised regulations omit *any* reference to competition. However, as the overhaul progresses, additional clarity is expected, particularly since FAR Subpart 6.1 addresses competition requirements generally.
- **FAR Subpart 34.2**, which addresses requirements for Earned Value Management Systems (EVMS), remains in the revised regulations but with notable changes. Previously, EVMS was required for major development acquisitions, *and* agencies exercised discretion to apply EVMS requirements to other acquisitions. That discretionary option has been removed in the revised FAR 34.201. Additionally, FAR 34.201 no longer requires contractors to submit an EVMS compliance plan if their proposed system does not conform to the Electronic Industries Alliance Standard 748 (EIA-748). Finally, the revised FAR 34.202 significantly pares back guidance on Integrated Baseline Review (IBR), now stating only that an IBR is required when EVMS is mandated.

The RFO website introduces certain changes to FAR Part 52 that align with the proposed revisions to FAR Parts 1 and 34; however, additional updates are likely as each revised FAR part is released. Notably, FAR Part 52 has no issuance date and, unlike FAR Parts 1 and 34, is not accompanied by a General Services Administration class deviation memorandum.

Our Government Contracts practice group will continue to monitor these developments closely and provide updates as part of this ongoing series.

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