



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF WAR

**3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000**

In reply refer to

DARS Tracking Number: 2026-O0030

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Class Deviation—Revolutionary Federal Acquisition Regulation (FAR) Overhaul
Part 50, Defense FAR Supplement (DFARS) Part 250

Effective February 1, 2026, contracting officers shall use—

- The revised FAR Part 50, Extraordinary Contractual Actions and the SAFETY Act published on the Revolutionary FAR Overhaul web page at <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-50> in lieu of the text codified at 48 CFR chapter 1 (<https://www.ecfr.gov>).
- The attached DFARS Part 250, Extraordinary Contractual Actions and the SAFETY Act in lieu of the text codified at 48 CFR chapter 2; and
- The attached DFARS Procedures, Guidance, and Information (PGI) 250, Extraordinary Contractual Actions and the SAFETY Act in lieu of the PGI text published on the Defense Pricing, Contracting, and Acquisition Policy web page at <https://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>.

This class deviation implements the following:

- Section 2 of E.O. 14275, Restoring Common Sense to Federal Procurement, which 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.

- Section 4(a) of E.O. 14265, Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base which requires the Secretary of War to eliminate or revise any unnecessary supplemental regulations or any other internal guidance, such as relevant parts of the Financial Management Regulation and Defense Federal Acquisition Regulation Supplement.
- The Office of Management and Budget memorandum, M-25-26 issued on May 2, 2025, titled, Overhauling the Federal Acquisition Regulation, which provided additional guidance to federal agencies regarding the FAR overhaul.

This class deviation remains in effect until rescinded or incorporated into the FAR, DFARS, and DFARS PGI. Inquiries regarding this class deviation can be addressed to osd.pentagon.ousd-a-s.mbx.dfarss@mail.mil.

John M. Tenaglia
Principal Director,
Defense Pricing, Contracting, and
Acquisition Policy

Attachments:
As stated

PART 250—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

SUBPART 250.1—EXTRAORDINARY CONTRACTUAL ACTIONS

250.100 Definitions.

As used in this subpart—

“Secretarial level” means—

- (1) An official at or above the level of an Assistant Secretary (or Deputy) of Defense or of the Army, Navy, or Air Force; and
- (2) A contract adjustment board established by the Secretary concerned.

250.101 General.

250.101-2 Policy.

250.101-270 Limitations on payment.

See 10 U.S.C. 3862 for limitations on Congressionally directed payment of a request for equitable adjustment to contract terms or a request for relief under Pub. L. 85-804.

250.101-370 Records.

Follow the procedures at PGI 250.101-370 for preparation of records.

250.102 Delegation of and limitations on exercise of authority.

250.102-1 Delegation of authority.

- (b) Authority under FAR 50.104 to approve actions obligating \$90,000 or less may not be delegated below the head of the contracting activity.
- (d) In accordance with the acquisition authority of the Under Secretary of Defense (Acquisition and Sustainment (USD(A&S)) under 10 U.S.C. 133(b), in addition to the Secretary of Defense and the Secretaries of the military departments, the USD(A&S) may exercise authority to indemnify against unusually hazardous or nuclear risks.

250.102-170 Delegations.

(a) *Military departments.* The Departments of the Army, Navy, and Air Force will specify delegations and levels of authority for actions under the Act and the Executive Order in departmental supplements or agency acquisition guidance.

(b) *Defense agencies.* Subject to the restrictions on delegations of authority in 250.102-1 (b) and FAR 50.102-1, the directors of the defense agencies may exercise and redelegate the authority contained in the Act and the Executive Order. The agency supplements or agency acquisition guidance must specify the delegations and levels of authority.

- (1) Requests to obligate the Government in excess of \$90,000 must be submitted to the USD(A&S) for approval.
- (2) Requests for indemnification against unusually hazardous or nuclear risks must be submitted to the USD(A&S) for approval before using the indemnification clause at FAR 52.250-1, Indemnification Under Public Law 85-804.
- (c) *Approvals.* The Secretary of the military department or the agency director must approve any delegations in writing.

250.102-2 Contract adjustment boards.

The Departments of the Army, Navy, and Air Force each have a contract adjustment board. The board consists of a Chair and not less than two nor more than six other members, one of whom may be designated the Vice-Chair. A majority constitutes a quorum for any purpose and the concurring vote of a majority of the total board membership constitutes an action of the board. Alternates may be appointed to act in the absence of any member.

250.103 Contract adjustments.

250.103-3 Contract adjustment.

- (a) Contractor requests should be filed with the procuring contracting officer (PCO). However, if filing with the PCO is impractical, requests may be filed with an authorized representative, an administrative contracting officer, or the Office of General Counsel of the applicable department or agency, for forwarding to the cognizant PCO.

250.103-5 Processing cases.

- (1) At the time the request is filed, the activity must prepare the record described at PGI 250.101-370 (1)(i) and forward it to the appropriate official within 30 days after the close of the month in which the record is prepared.

- (2) The officer or official responsible for the case must forward to the contract adjustment board, through departmental channels, the documentation described at PGI 250.103-5.

- (3) Contract adjustment boards will render decisions as expeditiously as practicable. The Chair must sign a memorandum of decision disposing of the case. The decision must be dated and must contain the information required by FAR 50.103-6. The memorandum of decision must not contain any information classified "Confidential" or higher. The board's decision will be sent to the appropriate official for implementation.

250.103-6 Disposition.

For requests denied or approved below the Secretarial level, follow the disposition procedures at PGI 250.103-6.

250.104 Residual powers.

250.104-3 Special procedures for unusually hazardous or nuclear risks.

250.104-370 Indemnification under contracts involving both research and development and other work.

When indemnification is to be provided on contracts requiring both research and development work and other work, the contracting officer must insert an appropriate clause using the authority of both 10 U.S.C. 3861 and Pub. L. 85-804.

(a) The use of Pub. L. 85-804 is limited to work which cannot be indemnified under 10 U.S.C. 3861 and is subject to compliance with FAR 50.104.

(b) Indemnification under 10 U.S.C. 3861 is covered by 235.070.

PGI—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

PGI 250.1—EXTRAORDINARY CONTRACTUAL ACTIONS

PGI 250.101 General.

PGI 250.101-370 Records.

(a) Departments and agencies must—

(1) Prepare a preliminary record when a request for a contract adjustment under FAR 50.103 is filed (see DFARS 250.103-5(1)).

(2) Prepare a final record stating the disposition of the request (see PGI 250.103-6).

(3) Designate the offices or officials responsible for preparing, submitting, and receiving all records required by DFARS Subpart 250.1. Records must be maintained by the contract adjustment boards of the Army, Navy, and Air Force, respectively, and by the headquarters of the defense agencies.

(b) A suggested format for the record is the Record of Request for Adjustment shown at the end of this section. This format permits the information required for the preliminary and final records to be combined on one form.

The following instructions are provided for those items in the format that are not self-explanatory:

(1) *Extent of performance as of date of request.* State the degree of completion of the contract; e.g., 50 percent completed or performance not yet begun. If work is completed, state the date of completion and whether final payment has been made.

(2) *Award procedure.* State whether the contract was awarded under sealed bidding or negotiated procedures. Cite the specific authority for using other than full and open competition, if applicable, e.g., 10 U.S.C. 3204(a).

(3) *Type of contract.* State the type of contract (see FAR Part 16); e.g., FFP (firm-fixed-price).

(4) *Category of case.* State whether the request involves a modification without consideration, a mistake, or an informal commitment. If the case involves more than one category, identify both; list the most significant category first.

(5) *Amount or description of request.* If the request is expressed in dollars, state the amount and whether it is an increase or decrease. If the request cannot be expressed in monetary terms, provide a brief description; e.g., "Cancellation" or "Modification." Even if the adjustment is not easily expressed in terms of dollars, if the contractor has made an estimate in the request, that estimate should be stated.

(6) *Action below Secretarial level.* State the disposition of the case, the office that took the action and the date the action was taken. The disposition should be stated

as "Withdrawn," "Denied," "Approved," or "Forwarded." If the request was approved, in whole or in part, state the dollar amount or nature of the action (as explained in paragraph (2)(v) of this section). The date should correspond with the date of the memorandum of decision or of the letter forwarding the request to the contract adjustment board or other deciding body.

(7) *Action by contract adjustment board and date.* State the disposition and date of disposition of the case by the contract adjustment board. Provide the same information as for paragraph (2)(vi) of this section.

(8) *Implementation and date.* State the appropriate action; e.g., "Modification," "New Contract," or "Letter of Denial."

<input type="checkbox"/> PRELIMINARY	RECORD OF REQUEST FOR ADJUSTMENT		FINAL <input type="checkbox"/>
DATE OF REQUEST	PUBLIC LAW 85-804		DATE RECEIVED BY GOVERNMENT
CONTRACTOR'S NAME AND ADDRESS			
<input type="checkbox"/> SMALL BUSINESS			
NAME AND ADDRESS OF CONTRACTOR'S REPRESENTATIVE, IF ANY			
COGNIZANT CONTRACTING OFFICER OR OFFICE		PROCURING ACTIVITY	
PROPERTY OR SERVICE INVOLVED		EXTENT OF PERFORMANCE AS OF DATE OF REQUEST	
CONTRACT NUMBER	DATE	ADVERTISED OR NEGOTIATED	TYPE OF CONTRACT
CATEGORY OF CASE		AMOUNT OF DESCRIPTION OF REQUEST	
ACTION BELOW SECRETARIAL LEVEL			DATE
ACTION BY CAB			DATE
IMPLEMENTATION			DATE
ADDITIONAL DATA OR REMARKS			
DATE THIS RECORD SIGNED		SIGNATURE	

PGI 250.103 Contract adjustments.

PGI 250.103-5 Processing cases.

(1) The officer or official responsible for the case must forward to the contract adjustment board, through departmental channels, two copies of the following:

(i) A letter stating—

(A) The nature of the case;

(B) The basis for the board's authority to act;

(C) The findings of fact essential to the case (see FAR 50.103-4). Arrange the findings chronologically with cross-references to supporting enclosures;

(D) The conclusions drawn;

(E) The recommended disposition; and

(F) If contractual action is recommended, a statement by the signer that the action will facilitate the national defense.

(ii) The contractor's request.

(iii) All evidentiary materials.

(iv) All endorsements, reports and comments of cognizant Government officials.

(2) A letter to the Board recommending an amendment without consideration where essentiality is a factor (see FAR 50.103-2(a)(1)) should also provide—

(i) The information required by FAR 50.103-4(a) and (b), and

(ii) Findings as to—

(A) The contractor's performance record, including the quality of product, rate of production, and promptness of deliveries;

(B) The importance to the Government, particularly to the active duty military, of the performance of the contract and the importance of the contractor to the national defense;

(C) The forecast of future contracts with the contractor; and

(D) Other available sources of supply for the supplies or services covered by the contract, and the time and cost of having contract performance completed by such other sources.

PGI 250.103-6 Disposition.

(1) When the request for relief is denied or approved below the Secretarial level, submit the following documents to the appropriate office within 30 days after the close of the month in which the decision is executed:

(i) Two copies of the memorandum of decision.

(ii) Except for the Army, one copy of the contractual document implementing any decision approving contractual action.

(iii) One copy of a final record, as described at PGI 250.101-370.

(2) When a contract adjustment board decision is implemented, the activity that forwarded the case to the board must prepare and submit to the board the documents identified in paragraphs (1)(ii) and (iii) of this section.