



November 3, 2025

Dr. Kevin Rhodes
Administrator, Office of Federal Procurement Policy
Office of Management and Budget
Washington, DC 20503

Subject: Feedback on Federal Acquisition Regulation Overhaul – Parts 13, 15, 16, 19, 22, 23, 32, 42, 47, and 53

Dear Dr. Rhodes,

On behalf of the nation's premier aerospace and defense companies, the Aerospace Industries Association (AIA) welcomes the Administration's continued efforts to modernize and simplify the Federal Acquisition Regulation (FAR). Throughout the FAR Overhaul initiative, AIA has remained actively engaged, providing informal feedback on proposed revisions throughout the process.¹ With the final set of revisions now released, our member companies have carefully examined the proposed changes to FAR Parts 13, 15, 16, 19, 22, 23, 32, 42, 47, and 53 and respectfully submit the following comments and recommendations for consideration.

FAR Part 13: Simplified Procedures for Non-Commercial Acquisition

1. Clarification of Contract Clauses for Purchase Orders for Non-Commercial Supplies or Services below the Simplified Acquisition Threshold (SAT): The revised FAR Part 13 directs contracting officers to include contract clauses prescribed elsewhere in the FAR in purchase orders for non-commercial supplies or services valued at or below the SAT. Given the specificity of this circumstance, AIA recommends including a list of the FAR clauses concerning non-commercial suppliers or services valued at or below the SAT. This will ensure contracting officers apply relevant FAR clauses to these purchasing orders while limiting the application of unrelated requirements (Citation: revised FAR Subpart 13.204).

FAR Part 15: Contracting by Negotiation

1. Competitive Range: The revised FAR Part 15 changes how "competitive range" is defined. The revised language states in part the competitive range is "the group of evaluated proposals that the contracting officer determines are best suited for further negotiation." This replaces the existing standard that the competitive range is comprised of "all of the most highly rated proposals." This change introduces a significant amount of ambiguity and will reduce transparency and introduce inconsistency in the source selection process. To ensure efficiency, while maintaining fairness and consistency, AIA strongly recommends retaining the existing standard (Citation: original FAR Subpart 15.306(c)).

¹ [AIA Feedback on Revised FAR Parts 1, 10, 34](#); [AIA Feedback on Revised FAR Parts 11, 18, 39, 43](#); [AIA Feedback on Revised FAR Part 6](#); [AIA Feedback on Revised FAR Parts 29, 31](#); [AIA Feedback on Revised FAR Part 35](#); [AIA Feedback on Revised FAR Part 50](#); [AIA Feedback on Revised FAR Part 5](#); [AIA Feedback on Revised FAR Parts 9, 33, 49](#); [AIA Feedback on Revised FAR Part 30](#); [AIA Feedback on Revised FAR Parts 4, 8, 12, 40](#); [AIA Feedback on Revised FAR Part 44](#); [AIA Feedback on FAR Parts 17, 27, 45](#)

Additionally, the revised FAR Part 15 eliminated language that allowed for exchanges between the government and offerors, after the receipt of proposals, leading to the establishment of the competitive range for proposal evaluation. Allowing communication between the government and offerors to establish the competitive range is a mutually beneficial process as it allows the government to better understand proposals and provides offerors an opportunity to address ambiguities or issues related to past performance. As such, AIA recommends retaining the original language allowing for such exchanges (Citation: original FAR Subpart 15.306(b), revised FAR Subpart 15.204-1).

2. Selective Negotiations: The revised FAR Part 15 allows contracting officers to “further negotiate with an offeror” but states that “having further negotiations with a particular offeror does not obligate contracting officers to have further negotiations with any other offerors.” This deviates from current practice which states that, if the contracting officer reopens “discussions” (now referred to as “negotiations” in the revised FAR Part 15) with one offeror, it must reopen them with all remaining offerors within the competitive range. This shift is likely to conflict with the Competition in Contracting Act’s mandate to treat all offerors equally and impartially. To align with statutory requirements and ensure impartiality, AIA recommends adding clarification that if negotiations are opened with one offeror, negotiations are opened with all offerors in the competitive range (Citation: revised FAR Subpart 15.204-2(b)(2)).

3. Negotiation with Responsible Offerors: The revised FAR Part 15 requires contracting officers to negotiate with each “responsible” offeror within the competitive range during competitive negotiations. However, responsibility determinations are not usually conducted this early in a competition. As written, it may unintentionally require a responsibility determination of all offerors in the competitive range prior to engaging in negotiations. To avoid confusion and unnecessary administrative burden, AIA recommends striking the word “responsible” (Citation: revised FAR Subpart 15.204-2(b)(1)(i)).

4. Past Performance in Proposal Evaluation: The revised FAR Part 15 reclassifies provisions related to an offeror’s past performance information from “discussions” to “clarifications.” Unlike “discussions,” which require the government to give offerors in the competitive range an opportunity to respond to adverse past performance, “clarifications” are discretionary. This shift may deprive offerors of the opportunity to respond to adverse past performance in the source selection process. AIA strongly recommends retaining the requirement for contracting officers to provide offerors a chance to respond to adverse past performance prior to exclusion (Citation: revised FAR Subpart 15.202(a)(2)(ii)).

5. Obtaining Cost or Pricing Data: The revised FAR Part 15 directs contracting officers to “obtain the type and quantity of data required to establish a fair and reasonable price, but not more data than is needed.” However, in practice, the lack of clear, consistent guidance on what constitutes the minimum necessary data—particularly in relation to obtaining other than certified cost or pricing data—often leads to overly burdensome disclosure requirements. This can significantly delay acquisition timelines, with some procurements taking years longer than necessary due to protracted negotiations and data validation processes. For industry, especially new entrants and commercial providers, the requirement to produce certified cost and pricing data can introduce substantial administrative overhead, increase compliance risk, and deter participation

altogether. Clarifying these expectations across agencies and contracting offices presents a critical opportunity to streamline acquisition, reduce unnecessary delays, and foster a more agile and responsive defense industrial base (Citation: revised FAR Subpart 15.402(b)).

6. Price Analysis: The revised FAR Part 15 streamlines language related to price analysis and removes an important caveat that data is obtained “without certification.” To avoid any potential misinterpretations with respect to whether cost or pricing data must be certified and to avoid unnecessary delays in the award of contracts and orders, AIA recommends amending FAR Part 15.404-1(a), as follows: “(a) *General.* Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. Unless an exception from the requirement to obtain certified cost or pricing data applies under 15.403-1(b)(1) or (b)(2), at a minimum, the contracting officer shall obtain appropriate data, without certification, on the prices at which the same or similar items have previously been sold and determine if the data is adequate for evaluating the reasonableness of the price.” (Citation: revised FAR Subpart 15.404-1(a)).

7. Subcontract Pricing Considerations: The revised FAR Part 15 would benefit from clarification of when subcontractor certified cost or pricing data must be current, accurate, and complete. The revised FAR Subpart 15.404-8(b)(4) states a subcontractor’s certified cost or pricing data must be current, accurate, and complete “as of the date of the price agreement, or, if applicable, an earlier date agreed upon by the parties and specified on the contractor’s Certificate of Current Cost or Pricing Data.” The context, coupled with the reference to the contractor’s certificate, creates ambiguity by indicating the date of price agreement is the date of the contractor’s price agreement as specified on the contractor’s certificate. This differs from revised FAR Clause 52.215-2(b) which requires cost or pricing data to be current, accurate, and complete “as of the date of agreement on the negotiated price of the subcontract or subcontract modification.” This can create confusion in instances when a prime contractor reaches price agreement with a subcontractor in advance of the date of prime contract price agreement. AIA recommends the revised FAR Part 15 be amended to clarify that subcontractor certified cost or pricing data must be current, accurate, and complete “as of the date of price agreement between the prime and the subcontractor” (Citation: revised FAR Subpart 15.404-8(b)(4), revised FAR Clause 52.215-2(b)).

8. Tradeoff Approach to Source Selection: The revised FAR Part 15 streamlines requirements related to the tradeoff approach to source selection that may result in insufficient documentation to support tradeoff decisions between cost or price and non-cost and non-price factors. To ensure transparency, AIA recommends including language like that used in the original FAR Subpart 15.101-1(c), which requires documentation of the rationale for tradeoffs made in source selection (Citation: revised FAR Subpart 15.103-1, original FAR Subpart 15.101-1(c)).

9. Highest Technically Rated with a Fair and Reasonable Price Approach: The revised FAR Part 15 introduces a new “highest technically rated with a fair and reasonable price approach” to source selection. This creates a new contracting approach for prioritizing technical excellence. Under this approach, the government determines the highest technically rated proposal and evaluates the proposal to determine if the pricing is fair and reasonable. The process continues to the next highest rated proposal if the highest rated proposal is not considered to be fairly and reasonably

priced. However, the effectiveness of this approach depends on the government providing clear affordability guidance. Without such context, offerors may struggle to tailor their technical solutions to align with budgetary constraints resulting in proposals that exceed the government's financial expectations or fail to optimize value. Providing affordability guidance would also give industry a clearer indication of what could be considered "fair and reasonable" by the government. To that end, AIA recommends that solicitations using this method include affordability information, to include a price ceiling in the Request for Proposal, to enable offerors to shape their best technical solution within the customer's budget. This will allow the government to focus on technical merit as the primary evaluation criterion while ensuring industry optimizes proposals to remain financially viable (Citation: revised FAR Subpart 15.103-3).

10. Source Selection Decision Documents: The inclusion of agency-specific requirements within the FAR text, such as the mandate to provide the Source Selection Decision Document (SSDD) for defense contracts over \$100 million, raises concerns about precedent. It is not typical to embed agency-specific regulations within the FAR and doing so risks complicating the FAR structure and creating confusion across agencies. AIA recommends removing agency-specific references from the FAR and instead retaining such requirements within the relevant agency supplement. That said, AIA strongly supports the practice of providing the written SSDD to offerors as it offers valuable insight into the government's evaluation of a contractor's proposal, including identified strengths and weaknesses. This transparency enables contractors to improve future submissions, fostering more competitive offerings and ultimately driving better value and lower costs for the government and the warfighter (Citation: revised FAR Subpart 15.301-1(c)(viii)).

11. Definition of Proposal Revision: The revised FAR Part 15 amends the definition of "proposal revision" by adding the term "material elements" but does not define or explain the meaning of this new term. As written, the addition of this term creates ambiguity. To ensure consistent interpretation and application across agencies, AIA recommends defining "material elements" (e.g., other than administrative changes) or retaining the original definition of "proposal revision" (Citation: revised FAR Subpart 15.001).

FAR Part 16: Types of Contracts

1. General Guidance on Contract Types: The revised FAR Part 16 provides new flexibility by allowing use of contract types not described in the FAR if: (1) the contract type promotes the best interest of the government; and (2) is not expressly prohibited by statute or regulation. This will enable agency-specific procedures to be used when appropriate. Notwithstanding this new flexibility, the FAR would benefit from retaining general guidance on contract types. This foundational guidance is critical for both government and industry stakeholders to make informed decisions when selecting contract types appropriate to the acquisition's risk, complexity, and performance objectives. Prior guidance that should be retained includes:

- The original FAR Subpart 16.101(b), which defines the two primary groups of contract types: fixed price and cost-reimbursement, and the variations within each contract type.
- The original FAR Subpart 16.306(b) and (c), which provides guidance on the application and limitations on use of cost-plus-fixed-fee contracts.

- The original FAR Subpart 16.405-1(b)-(c), which provides guidance on the appropriate use of cost-plus-incentive-fee contracts, including how to structure effective fee adjustment formulas, and when to incorporate technical performance incentives. This helps ensure that incentive structures are thoughtfully constructed to motivate contractor performance while maintaining cost control.

2. Award-Fee Table: The revised FAR Subpart 16.402-2(c)(4) references Table 16-1 for adjectival rating of award-fees but removes the table itself. To maintain clarity and consistency in award-fee evaluations, AIA recommends reinstating Table 16-1 (Citation: original FAR Table 16-1, revised FAR Subpart 16.402-2(c)(4)).

3. Performance Incentives: The revised FAR Part 16 removes important context for constructing contract incentives. This information offers practical direction on when and how to apply technical performance incentives, how to balance competing performance characteristics, and how to establish meaningful test criteria and performance standards. Without this guidance, the risk of misaligned or ineffective incentive structures increases and potentially undermines contract performance and value. To provide the necessary framework for structuring performance incentives effectively, AIA recommends reinstating these subparagraphs (Citation: original FAR Subpart 16.402-2(c)-(h), revised FAR Subpart 16.403-2).

4. Firm-Fixed-Unit-Price (FFUP) Contracts for Cloud: AIA is appreciative of the effort to encourage the adoption of commercial best practices to facilitate modernization efforts but cautions some of the best practices presented in the FAR Part 16 Practitioner's Album are applicable only to portions of a particular industry and are not wholly adopted or practical for certain segments of industry. An example of this is the guidance provided in the revised FAR Part 16 Practitioner's Album for contracting personnel to use FFUP contracts, especially consumption-based FFUPs, to address challenges associated with using traditional fixed-price or cost-type contracts when acquiring commercial cloud services. To ensure effective implementation of such guidance, AIA recommends the following context be considered in the album:

- Recognize that not all services can be metered. The album states "consumption-based FFUPs are specifically designed for metered services." However, metering is not available in all situations. It may be available for infrastructure and for software delivered in a public cloud, but this is not possible or easily implemented in private cloud based on a customer's privacy and security requirements. This could result in increased costs for the consumer (Citation: FAR Part 16 Practitioner Album FFUP for Cloud, slide 2).
- Include a disclaimer on the use of FFUPs. It would be helpful to include a statement cautioning contracting officers that FFUPs may not be appropriate for all types of contracts for cloud-based solutions. While consumption-based approaches are offered widely (and may offer advantages for all parties), there are instances when consumption-based contracts are not in the government's best interest. These include but are not limited to small requirements where a lack of scale could significantly increase costs, or situations where privacy concerns limit the effectiveness of this contract type (Citation: FAR Part 16 Practitioner Album FFUP for Cloud, slide 3).

- Accept different approaches to consumer protection. To maximize competition, we recommend amending the following bullet to read as follows: “Implement Consumption Monitoring: Require the contractor to provide tools to track usage and notify you or notifications at predefined milestones (e.g., 50% and 75% of the ceiling) as practicable based on the contractor’s commercial best practices.” This change better reflects the range of options available for monitoring consumption (Citation: FAR Part 16 Practitioner Album FFUP for Cloud, slide 3).

FAR Part 19: Small Business Programs

1. Small Business Administration (SBA) Certification Requirements: The revised FAR Subpart 19 introduces a significant expansion of SBA certification requirements. It adds Veteran-Owned Small Business (VOSB) and Women-Owned Small Business (WOSB) to the entities that must be certified by the SBA in order to be eligible subcontractors under commercial subcontracting plans. Existing FAR requirements only require SBA certification for Historically Underutilized Business Zone (HUBZone) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB). Previously VOSBs and WOSBs could self-certify, along with small and small disadvantaged businesses. Allowing this self-certification enables prime contractors to include a broad range of suppliers in their small business goals. The requirement for SBA certification for VOSBs and WOSBs does not appear to be supported by statute and could create a challenge as many VOSBs and WOSBs do not participate directly in federal contracting and may not typically undergo SBA certification. Without a clear plan to communicate this requirement nationwide, many of these businesses will remain uncertified, forcing contractors to exclude them from subcontracting goals and potentially reduce their targets. This could lead to unintended consequences, such as discouraging engagement with VOSBs and WOSBs that aren’t SBA certified. To avoid this and minimize regulatory burdens on small businesses, AIA recommends reevaluating this approach and maintaining the self-certification requirements for WOSB and VOSB (Citation: revised FAR Subpart 19.302-2, revised FAR Clause 52.219-9(c)(v)).

2. Reporting Deadline Alignment with SBA Regulations: The revised FAR Part 19 retains a requirement for the prime contractor to submit a subcontracting plan in the Electronic Subcontracting Reporting System within 30 days after the report ending date. However, 13 CFR 125.3(d)(1)) allows 45 days for this process. AIA recommends aligning FAR reporting deadlines with SBA regulations by revising the deadline to 45 days (Citation: revised FAR Subpart 19.302-2(a)).

3. Standardize Procedures for Prime Contractors to Verify Small Business Status of Subcontractors: The revised FAR Part 19 provides inconsistent guidance on verifying SBA status for small businesses. Revised FAR Subpart 19.302-2(a)(1)(ii)(A) allows the prime contractor to accept written representations of the size and socioeconomic status for small businesses and small disadvantaged businesses. Simultaneously, revised FAR Subpart 19.302(a)(1)(ii)(B) allows the use of SAM.gov to verify status for small businesses and small disadvantaged businesses. To ensure clarity, reduce compliance burdens, and centralize information on small business concerns, AIA recommends ensuring that prime contractors may accept the status of all types of small businesses through SAM.gov (i.e., HUBZone small business, SDVOSB, VOSB, WOSB, small business, and small disadvantaged businesses) (Citation: revised FAR Subpart 19-302(a)(1)(ii)(B)).

FAR Part 22: Application of Labor Laws to Government Acquisitions

1. Distinction Between Repair and Remanufacturing: The revised FAR Part 22 removes essential guidance distinguishing “repair” from “remanufacturing.” This distinction is critical for contractors performing services on products as it directly affects compliance with the Service Contract Labor Standards statute. Without this clarity, contractors may face compliance risks and competitive disadvantages depending on the scope of work. AIA recommends retaining the original language in the revised FAR to ensure consistent interpretation and application of labor standards (Citation: original FAR Subpart 22.1003-6).

FAR Part 23: Sustainable Acquisition, Material Safety, and Pollution Prevention

1. Retention of Exemptions from Sustainable Products Requirements: The revised FAR Part 23 removes the list of exemptions from the requirement to procure sustainable products and services. These exemptions are important for protecting sensitive operations and ensuring flexibility in procurement. To preserve this operational flexibility, AIA recommends retaining the original exemption language in a streamlined form (Citation: original FAR Subpart 23.106).

FAR Part 32: Contract Financing

1. Applicability of Advance Payment for Other than Commercial Acquisitions: The revised FAR Part 32 removes a section detailing when advance payments may be considered useful and appropriate. This guidance provides detailed examples of the potential applicability for when advance payments are appropriate and should be retained for the benefit of both the contracting officer and industry (Citation: original FAR Subpart 32.403).

2. Fast Payment Threshold Update: The revised FAR Part 32 retains a \$35,000 threshold for fast payment procedures. However, this threshold was increased to \$45,000 as of October 1, 2025 (90 FR 41872). AIA recommends updating the threshold to reflect current policy and avoid confusion (Citation: revised FAR Subpart 32.1201).

FAR Part 42: Contract Administration

1. Protection of Contractor Past Performance Evaluations: The revised FAR Part 42 states that contractor performance evaluations for contracts awarded prior to April 1, 2026, should be marked “Source Selection Information.” This change was first implemented by a FAR Class Deviation for FAR Part 42 in support of Executive Order 14275 and is effective November 3, 2025. The new policy appears to be intended to allow for the use of performance evaluation information, starting April 1, 2026, and after, during any part of the acquisition lifecycle. AIA notes that contractor performance information is business sensitive confidential information. Improper release of such information may cause significant competitive harm to the contractor whose performance evaluation is released. Therefore, it must be protected by the government and must not be disclosed outside the government. AIA recommends retaining modified language to this effect by adding a new subparagraph to FAR Subpart 42.1103(d) that reads: “The completed evaluation shall not be released to other than government personnel and the contractor whose performance is being evaluated. Disclosure of such information could cause harm both to the commercial interest of the government and to the competitive

position of the contractor being evaluated as well as impede the efficiency of government operations.” (Citation: original FAR Subpart 42.1503(d), revised FAR Subpart 42.1103(d)(4)).

2. Evaluation Rating Definitions Tables: The revised FAR Part 42 includes notes associated with two tables outlining evaluation rating definitions from the original FAR Part 42 (Tables 42-1 and 42-2); however, the tables were not incorporated into the revised FAR. To ensure clarity, AIA recommends the tables either be included in the revised FAR Part 42 or the notes accompanying them be removed (Citation: original FAR Subpart 42.1503, original FAR Tables 42-1 and 42-2, revised FAR Subpart 42.1103).

3. Assignment of Criticality Designator: The revised FAR Part 42 references the assignment of a criticality designator “as follows” but does not include any additional information. AIA recommends reinstating the table from the original FAR to ensure contracting officers have the necessary guidance (Citation: revised FAR Subpart 42.804, original FAR Subpart 42.1105).

4. Undefined Acronym: The revised FAR Part 42 introduces the acronym “CFA” without definition. To maintain clarity and accessibility, all acronyms should be defined upon first use. AIA recommends spelling out “CFA” (potentially “cognizant federal agency”) to provide clarity (Citation: revised FAR Subpart 42.401).

FAR Part 47: Transportation

1. Transportation Insurance: The revised FAR Part 47 removes language related to transportation insurance which states the government generally retains the risk of loss or damage to its property when such loss is not the legal liability of commercial carriers and that the government does not generally buy insurance for its property in the possession of commercial carriers. This policy statement is informed by the statutory requirement under 40 U.S. Code § 17307 allowing the government to obligate money for insurance against loss, destruction, or damage in the shipment of valuables only when authorized by the Secretary of the Treasury. To ensure clarity on liability and avoid unnecessary insurance burdens that could disincentivize participation in federal contracting or result in proposal cost increases, AIA recommends retaining the original provision (Citation: original FAR Subpart 47.102).

FAR Part 53: Forms

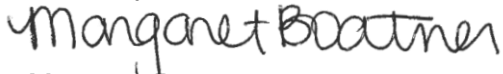
1. Retain Public Review and Comment of Forms: The revised FAR Part 53 removes references to forms and instead directs users to a new online centralized FAR form repository. Centralizing form access may improve usability, but removing the forms from the FAR itself will enable the government to make changes to these forms without formal rulemaking and public comment. As such, industry may be unable to monitor changes to form requirements that occur outside the FAR. To ensure transparency, AIA recommends retaining a formal notice and comment process for any changes to forms referenced in the FAR or included in the new online repository. (Citation: revised FAR Part 53 and FAR form repository).

AIA applauds efforts to streamline, simplify, and modernize the federal procurement process. AIA and our member companies stand ready to partner with the Office of

Management and Budget on the FAR Overhaul, and we look forward to reviewing and providing feedback during the formal rulemaking phase.

Thank you in advance for considering our views. Please direct any questions to the undersigned at margaret.boatner@aia-aerospace.org or 703-358-1085.

Sincerely,

A handwritten signature in dark ink that reads "Margaret Boatner". The signature is written in a cursive, flowing style.

Margaret Boatner
Vice President, National Security Policy