U.S. Department of Transportation

1200 New Jersey Ave., S.E.
Washington, DC 20590

Office of the Secretary of Transportation

SUBJECT: Class Deviation No. 2026-46 from the Transportation Acquisition Regulation for TAR Part 1246 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement

FROM: Chrishaun Jones
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Date: 2026.11.02 17:53:52 -05'00'

TO: Department of Transportation Chiefs of the Contracting Offices

I. Purpose: This memorandum approves a class deviation to the Transportation Acquisition Regulation (TAR) part 1246 for purpose of implementing, in the TAR, Federal Acquisition Regulation (FAR) Class Deviation (CD) (No. 2025-26) for FAR part 46 in support of Executive Order (E.O.) 14275, "Restoring Common Sense to Federal Procurement."

II. Effective Date: Immediately.

III. Background: On April 15, 2025, Executive Order (E.O.) 14275 on Restoring Common Sense to Federal Procurement was signed. Section 2 of the E.O. 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."

Under this initiative, the FAR is being updated to:

- Remove language that is not required by statute
- Remove duplicative or outdated language
- Clarify or provide more plain language
- Revise language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

The RFO FAR part 46 model deviation text upon which this RFO TAR part 1246 deviation is also based, establishes bedrock principles. DOT issued FAR CD 2025-26 for FAR part 46 on September 18, 2025.

To ensure alignment with issued EOs and the RFO FAR part CD, it is necessary to issue this RFO TAR CD in advance of a proposed rule to implement these requirements to ensure DOT policies and procedures align with these requirements. DOT intends on conducting further analysis and developing a rule for publication in the Federal Register for public comment after the release of this CD, and after FAR proposed and final rules are published.

IV. Summary of Changes: The following table is not an exhaustive list but includes notable updates to TAR part 1246:

Change	Description
New/Retained/ Updated	General – Retained as the coverage directly implements a specific statute or unique agency requirements. Updated TAR content and headings to align with RFO FAR Part 46: **TAR part 1246—Quality Assurance** • **Subpart 1246.7—Warranties** – Retained. Updated and revised to RFO FAR drafting standards. o 1246.705-70, Limitations—restrictions. Revised. ▪ Made minor administrative edits to comport with RFO FAR drafting principles and guidance. ▪ Removed unnecessary introductory sentence. o 1246.706-70, Warranty terms and conditions—agency requirements. ▪ Revised title to add "agency" before "requirements." ▪ In paragraph (a). Added FAR citation to provide clarity. ▪ In paragraph (a)(3) moved the definition for "performance requirements" previously in subpart 1246.1 to this subpart, where it is first mentioned. ▪ Made other minor administrative and grammatical edits to comport with RFO FAR drafting principles and guidance.
Removed	General – Text has been revised/deleted in the subpart/section below to remove non-statutory guidance. • **Subpart 1246.1—General** – Removed including underlying sections as the information is removed from the FAR and the material is now considered more appropriate to internal agency guidance. Existing coverage in FAR subpart 46.1 is adequate. o 1246.101, Definitions. Removed this title/header with no text. o 1246.101-70, Additional definitions. Removed unnecessary definitions not necessary to understand the remaining TAR subpart 1246.7 content. ▪ "At no additional cost," "Defect," and "Major acquisition" are not necessary for the coverage remaining in Subpart 1246.7—Warranties. The first two are well understood and "defect" is not specified as a standalone definition in FAR 2.101. The coverage in RFO FAR part 46 is adequate to this understanding, as well as definitions in FAR 2.101 using "defect." ▪ "Major acquisition" definition does not require codification in the rule and can be ascertained elsewhere. For the purposes of "major system" that definition is provided in FAR 2.101. ▪ The definition "Performance requirements" was moved to text in TAR subpart 1246.706-70, Warranty terms and conditions—agency requirements, paragraph (a)(3) where it is

	first discussed. This eliminates an unnecessary subpart in the TAR in alignment with RFO FAR drafting principles.

V. **Required Actions:** Contracting Officers shall follow the RFO TAR part 46 deviation text, in lieu of TAR part 1246 as codified at 48 CFR, chapter 12. The RFO TAR deviation text is shown in the Attachment.

Chiefs of the Contracting Offices (COCOs) must ensure this deviation is disseminated to the acquisition workforce and ensure compliance with the requirements in the CD.

VI. **Applicability:** This CD applies to all DOT OAs, OST, and OIG, excluding the FAA in accordance with RFO TAR 1201.103-70(b).

VII. **Authority:** This CD is issued under the authority of RFO FAR 1.304, Class deviations; TAR 1201.404, Class deviations; and the revised citation at RFO TAR 1201.304, for the purpose of implementing policy in the TAR to comply with requirements of certain E.O.s, statutes, and other directives in DOT FAR CD No. 2025-26.

VIII. **Expiration Date:** This CD will remain in effect until it is incorporated into the TAR or is otherwise rescinded, whichever occurs first.

IX. **Point of Contact:** Questions or comments regarding this deviation may be directed to DOTAcquisitionPolicy@dot.gov.

Attachment:

A. RFO TAR Part 1246 Deviation Text – Bold/Bracketed/Line-in Line-Out (BB-LILO)

Transportation Acquisition Regulation (TAR) Class Deviation (CD) No. 2026-46

Attachment A

RFO TAR Part 1246 Deviation Text

TAR Text Baseline is 48 CFR chapter 12 as of June 22, 2026.

Additions are shown as **[bolded and bracketed]** and deletions are shown in strikethrough ~~deletions~~. TAR Text unchanged shown as asterisks.

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Part 1246—Quality Assurance

~~**Subpart 1246.1—General**~~
~~1246.101 Definitions.~~
~~1246.101-70 Additional definitions.~~

Subpart 1246.7—Warranties
1246.705-70 Limitations—restrictions.
1246.706-70 Warranty terms and conditions—**[agency]** requirements.

Authority: 5 U.S.C. 301; 41 U.S.C. 1121(c)(3); **[and]** 41 U.S.C. 1702~~; and 48 CFR 1.301 through 1.304~~.

PART 1246—QUALITY ASSURANCE

~~Subpart 1246.1—General~~

~~1246.101 Definitions.~~

~~1246.101-70 Additional definitions.~~

~~As used in this subpart—~~

~~*At no additional cost to the Government* means at no increase in price for firm-fixed-price contracts, at no increase in target or ceiling price for fixed price incentive contracts (*see* FAR 46.707), or at no increase in estimated cost or fee for cost-reimbursement contracts.~~

~~*Defect* means any condition or characteristic in any supplies or services furnished by the contractor under the contract that is not in compliance with the requirements of the contract.~~

~~*Major acquisition* means an acquisition or for supplies or services that requires submission of an OMB Exhibit 300 (Capital Asset Plan/Business Case) in accordance with OMB Circular A-11, Preparation, Submission and Execution of the Budget, and for information technology or information technology related acquisitions, compliance with the Department Chief Information Officer (CIO) Policy (CIOP). A major acquisition typically has one or more of the following characteristics—~~

~~(1) Life-cycle costs of $150 million or more;~~

~~(2) Is a financial system, e-gov system, or e-business system with a life-cycle cost of $500,000 or more; or~~

~~(3) An acquisition that does not meet the dollar thresholds of paragraph (1) or (2) of this definition but—~~

~~(i) Is mission-critical;~~

~~(ii) Requires special management attention because of its importance to an OA mission;~~

~~(iii) Plays a significant role in the administration of OA programs, processes or other resources; or~~

~~(iv) Directly supports the President's Management Agenda.~~

~~*Performance requirements* means the operating capabilities, maintenance, and reliability characteristics of a system that are determined to be necessary for it to fulfill the requirement for which the system is designed.~~

Subpart 1246.7—Warranties

1246.705-70 Limitations—restrictions.

~~The following restrictions are applicable to DOT contracts:~~

(a) The contractor ~~shall~~ **[is]** not ~~be~~ required to honor ~~the~~ **[a]** warranty on any property furnished by the Government **[under a DOT contract]** except for—

(1) Defects in installation; and

(2) Installation or modification in such a manner that invalidates a warranty provided by the manufacturer of the property.

(b) Any warranty obtained ~~shall~~**[will]** specifically exclude coverage of damage ~~in time of war (combat damage) or~~ **[during a]** national emergency.

(c) Contracting officers ~~shall~~**[will]** not include in a warranty clause any terms that require the contractor to incur liability for loss, damage, or injury to third parties.

1246.706-70 Warranty terms and conditions—[agency] requirements.

(a) When appropriate and cost effective~~, the contracting officer shall comply with~~**[in addition to FAR 46.706(b), the contracting officer will consider including]** the following ~~requirements~~ when developing the warranty terms and conditions—

(1) Identify the affected line item(s) and the applicable specification(s);

(2) Require that the line item's design and manufacture will conform to—

(i) An identified revision of a top-level drawing; and/or

(ii) An identified specification or revision thereof;

(3) Require that the line item conform to the specified Government performance requirements**. [*Performance requirements* means the operating capabilities, maintenance, and reliability characteristics of a system that are determined to be necessary for it to fulfill the requirement for which the system is designed]**;

(4) Require that all line items and components delivered under the contract will be free from defects in materials and workmanship;

(5) State that if the contractor fails to comply with specification or there are defects in material and workmanship, the contractor will bear the cost of all work necessary to achieve the specified performance requirements, including repair and/or replacement of all parts;

(6) Require the timely replacement/repair of warranted items and specify lead times for replacement/repair where possible;

(7) Identify the specific paragraphs containing Government performance requirements that the contractor must meet;

(8) Ensure that any performance requirements identified as goals or objectives beyond specification requirements are excluded from the warranty provision;

(9) Specify what constitutes the start of the warranty period (*e.g.,* delivery, acceptance, in-service date) and the end of the warranty period (*e.g.,* passing a test or demonstration, or operation without failure for a specified period), and specify circumstances requiring an extension of warranty duration (*e.g.,* extending the warranty period as a result of mass defect correction during warranty period);

(10) Identify what transportation costs will be paid by the contractor in relation to the warranty coverage;

(11) In addition to ~~combat~~ damage **[incurred during national emergencies]**, identify any conditions which will not be covered by the warranty; and

(12) Identify any limitation on the total dollar amount of the contractor's warranty exposure, or agreement to share costs after a certain dollar threshold to avoid unnecessary warranty returns.

(b) In addition to the terms and conditions listed in paragraph (a) of this section, ~~the contracting officer shall~~ consider the following when a warranty clause is being used for a major system, as defined in FAR 2.101:

(1) For line items or components that are commercially available, obtaining a warranty as is normally provided by the manufacturer or supplier~~, in accordance with FAR 46.703(d) and 46.710(b)(2)~~**[(see FAR 46.709)].**

(2) Obtaining a warranty of compliance with the stated requirements for line items or components provided in accordance with either design and manufacturing or performance requirements as specified in the contract or any modification to that contract.

(3) A warranty provided under paragraph (b)(2) of this section shall provide that in the event the line items or any components thereof fails to meet the terms of the warranty provided, the contracting officer may—

(i) Require the contractor to promptly take such corrective action as the contracting officer determines to be necessary at no additional cost to the Government, including repairing or replacing all parts necessary to achieve the requirements set forth in the contract;

(ii) Require the contractor to pay costs reasonably incurred by the United States in taking necessary corrective action; or

(iii) Equitably reduce the contract price.

(4) Inserting remedies, exclusions, limitations and durations, provided these are consistent with the specific requirements of this subpart and FAR 46.706.

(5) Excluding from the terms of the warranty certain defects for specified supplies (exclusions) and limiting the contractor's liability under the terms of the warranty (limitations), as appropriate, if necessary to derive a cost-effective warranty considering the technical risk, contractor financial risk, or other program uncertainties.

(6) Structuring of a broader and more comprehensive warranty where such is advantageous. Likewise, the contracting officer may narrow the scope of a warranty when appropriate (*e.g.,* where it would be inequitable to require a warranty of all performance requirements because a contractor had not designed the system).

(c) Any contract that contains a warranty clause must contain warranty implementation procedures, including warranty notification content and procedures, and identify the individuals responsible for implementation of warranty provisions. The contract may also permit the contractor's participation in investigation of system failures, if the contractor is reimbursed at established rates for fault isolation work, and that the Government receive credit for any payments where equipment failure is covered by warranty provisions.