

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

FAR CLASS DEVIATION 2025-04

MEMORANDUM TO: Heads of the Contracting Activities (HCAs)

- FROM: Jennifer D. Johnson Jennifer Johnson (Jun 16, 2025 15:33 EDT) Acting Deputy Assistant Secretary for Acquisitions and Senior Procurement Executive Office of Acquisitions Office of Assistant Secretary for Financial Resources (ASFR) Department of Health and Human Services (HHS)
- **SUBJECT:** Federal Acquisition Regulation (FAR) Class Deviation (CD) No. 2025-04 in Support of Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement;" Deviation to FAR Part 10 and Applicable Portions of Part 52.

1. EFFECTIVE DATE:

Immediately upon signature.

2. EXPIRATION DATE:

This CD remains in effect until the changes described herein are incorporated in the FAR, superseded, or otherwise rescinded.

3. PURPOSE:

This FAR CD implements requirements to comply with <u>EO 14275, *Restoring Common Sense to Federal Procurement*</u>, for purposes of implementing the Federal Acquisition Regulatory Council's changes to FAR Part 10. It also incorporates and adopts the FAR Council's model deviation text to FAR Part 10 and the applicable portions of Part 52.

4. APPLICABLITY:

The requirements in this CD apply to all HHS Operating Divisions and Staff Divisions (OpDiv/StaffDiv) for applicable solicitations, contracts, and orders.

5. ROLES AND RESPONSIBILITIES:

Heads of the Contracting Activities (HCAs) must ensure this CD is disseminated to the acquisition workforce and ensure compliance with the requirements in the CD. Additionally, HCAs must review and update any applicable internal procedures and guidance to reflect the policies and guidance contained herein.

6. BACKGROUND:

On April 15, 2025, EO 14275, *Restoring Common Sense to Federal Procurement*, was signed. Section 2 of the EO 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."

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- Remove duplicative or outdated language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.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 22, 2025, the FAR Council issued the RFO model deviation text for FAR part 10 and applicable portions of part 52.

7. POLICY/GUIDANCE:

Effective immediately:

A. HHS contracting staff must follow the RFO FAR model deviation text instead of FAR part 10 as codified at 48 CFR Chapter 1. The Council's RFO model deviation texts are available in the <u>FAR Overhaul</u> section at <u>Acquisition.gov</u>, and is incorporated into this CD.

8. AUTHORITY:

This CD is issued under the authority of EO 14275, 48 CFR 1.4, RFO FAR 1.304, and OMB M-25-26.

9. **DEVIATION:**

The RFO Part 10 and 52 model deviation text are available at <u>https://www.acquisition.gov/far-overhaul</u>, and are incorporated into this CD.

Summary of Changes:

FAR Part 10, concerning Market Research, has been updated to offer acquisitions teams flexibly in their market research methods:

- Greater flexibility in techniques: The FAR no longer lists specific market research considerations or techniques that must be used.
 - You have the flexibility to choose the market research method that best fits your needs. For example, you might host a reverse industry day or expert panel. This allows industry

experts to share their perspectives, commercial practices, and experiences with the acquisition team.

- For more information on reverse industry days, and to read about more good market research techniques, check out the "Smart Accelerators" in the Practitioner Album available at Acquisition.gov/far-overhaul.
- Competition requirements remain: Acquisition professionals must still comply with the Competition in Contracting Act (CICA) (41 U.S.C. § 3301 et seq), which may necessitate market research.
- Flexibility at all dollar values: Acquisition professionals can apply market research concepts to procurements of any size.
- While FAR clause 52.210-1 Market Research is not required by statute, across Government, the FAR clause, as updated in the RFO model deviation text, has been retained as essential to the acquisition process.

Statutory requirements retained in the RFO FAR part 10 model deviation include, but are not limited to, the following:

- 10 U.S.C. § 3453, Preference for commercial products and commercial services
- 41 U.S.C. § 3306, Planning and solicitation requirements
- 41 U.S.C. § 3307, Preference for commercial products and commercial services
- 41 U.S.C. § 1703 note, Effective Communication Between Government and Industry; inclusive of 41 U.S.C. § 3301 et seq. and 41 U.S.C. § 2101 et seq.

CHANGE	DESCRIPTION
Retained	 Subparts "10.001 Policy" and "10.002 Procedures" are combined and streamlined to remove duplicative and discretionary guidance. FAR clause 52.210-1, Market Research (as updated in the RFO model deviation text). Language encouraging exchanges with industry is moved from FAR part 1 to FAR part 10.

CHANGE	DESCRIPTION
Removed	 Requirements to consider various issues in market research, including for consolidation or bundling procurements are removed. Content stemming from 15 U.S.C. 644(e) and 15 U.S.C. 657(q) is mandatory, however the requirement is covered in FAR part 7. Requirements for disaster relief purchasing are removed. Content stemming from 6 U.S.C. 796 is mandatory, however the requirement is covered in FAR part 26.

*This table is not an exhaustive list.

RFO FAR Part 52 model deviation text reflects an update to clause(s) associated with affected part 10.

10. CONTACT:

Acquisition workforce members with questions regarding this CD should contact their cognizant OpDiv/StaffDiv Acquisition Office or Acquisition Policy Council (APC) Representative(s), as appropriate.

The current list of APC Representatives may be found on the <u>Acquisition Councils and Workgroups</u> <u>Page</u> of the <u>HHS Acquisition Portal</u> (HHSAP).

All other questions should be directed to <u>Acquisition_Policy@hhs.gov</u>.