



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 14, 2025

From: Jonathan C. Hamlet
Managing Director & Senior Procurement Executive
Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

To: MCC Contracts and Grants Management Division Staff

Subject: Class Deviation to Implement the FAR Revisions Parts 32 *Contract Financing* and 52 *Solicitation Provisions and Contract Clauses* Issued on September 30, 2025

Findings

On April 15, 2025, President Trump signed the [Executive Order \(E.O.\) 14275, “Restoring Common Sense to Federal Procurement”](#) to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of the [E.O. 14192, “Unleashing Prosperity Through Deregulation,”](#) signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people.

The E.O. orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released its memo M-25-26 “Overhauling the Federal Acquisition Regulation” that directs all agencies to “Generally issue individual or class deviations to implement the FAR Council’s deregulated coverage within 30 days after the Council releases its model deviation text. Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov.”

On September 30, 2025, the FAR Council issued completed revisions for [FAR Part 32](#) and [FAR Part 52](#) clause. The RFO FAR Part 32 model deviation text has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller dollar purchases.

Statutory requirements retained in the RFO FAR Part 32 model deviation include, but are not limited to, the following:

- 10 U.S.C. §§ 3801 et seq and 41 U.S.C. §§ 4501 et seq, Contract Financing
- 31 U.S.C. § 1341, Anti-Deficiency Act
- 31 U.S.C. § 3324, Advances
- 31 U.S.C. § 3711, Debt Collection Improvement Act of 1996
- 31 U.S.C. § 3727 and 41 U.S.C. § 6305, Assignment of Claims Act of 1940
- 31 U.S.C. § 3901 et seq, Prompt Payment Act
- 50 U.S.C. § 4501 et seq, Defense Production Act of 1950
- Pub. L. 102-190 Sec 806 as amended (10 U.S.C. § 4601 note prec.), Government-wide Application of Payment Protections for Subcontractors and Suppliers

Other key changes include:

Retained:

- Section 32.001, “Definitions” is retained with plain language updates.
- Most provisions and clauses are retained (or remain reserved). Exceptions are noted in the “Moved / Updated” section below.

Updated:

- Section 32.000, “Scope of Part,” is updated to include the statutory references for the part.
 - This section adds “(k) Fast payment procedures” to correspond with the newly introduced Subpart 32.12.
- Section 32.002, “Applicability of subparts,” adds reference to “Subpart 32.12, Fast Payment Procedure”.
- Subpart 32.12, “Fast Payment Procedure,” formerly at subpart 13.4 is added to the part. This procedure is a method for expediting payments on certain small-dollar supply contracts where traditional receiving and acceptance processes are impractical. Moving the procedure to part 32 enhances acquisition agility.
- The following clauses are updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content:
 - 52.232-3 (Clause), Payments Under Personal Services Contracts
 - 52.232-12 (Clause), Advance Payment
 - Including “Advance Payments Without Special Account”
 - 52.232-16 (Clause), Progress Payments
 - 52.232-20 (Clause), Limitation of Cost
 - 52.232-22 (Clause), Limitation of Funds
 - 52.232-36 (Clause), Payment by Third Party
- The following clause is added to the part:
 - 52.232-90 (Clause), Fast Payment Procedure (previously at 52.213-1)
- The FAR Companion is expected to contain best practices and guidance in the following:
 - Contract Financing Payments
 - Advance Payments for Other Than Commercial Acquisitions
 - Deferral of Collection
 - Limitation of Cost

Removed:

- Paragraph (d) under section 32.102, “Description of contract financing methods” is deleted and marked reserved. The content was largely explanatory, as the requirement to pay for accepted partial deliveries is a standard payment method governed by Prompt Payment rules in Subpart 32.9 and standard payment clauses, not a form of contract financing. See the FAR Companion for best practice.
- Sections 32.304 through 32.306, under subpart 32.3, “Loan Guarantees for Defense Production,” are deleted and marked reserved. These sections and associated subsections provided extensive procedural details for the loan guarantee program. While the program’s authority remains in sections 32.302 and 32.303, the responsibility for implementation procedures is with the individual guaranteeing agencies and does not need to be spelled out in detail in the FAR.
- Section 32.403 “Applicability,” under subpart 32.4, “Advance Payments for Other Than Commercial Acquisitions,” is deleted and marked reserved. The language provided a detailed list in paragraphs (a) through (h), of eight specific categories where advance payments might be appropriate. This served as illustrative guidance and a non-exhaustive checklist that is not based on statute or required in the FAR. See the FAR Companion for best practice.

Determination

To fully comply with the President’s E.O.s and the revised FAR Parts 32 and 52, MCC shall follow the [RFO Part 32 model deviation text](#) instead of FAR Part 32 as codified at 48 CFR Chapter 32 and replace the relevant [RFO Part 52 model deviation clause](#) instead of the FAR Part 52 clause as codified at 48 CFR Chapter 52. The FAR Council’s RFO Parts 32 and 52 model deviation texts are available at [Acquisition.gov](#), under the “[FAR Overhaul](#)” link.

This deviation applies to all solicitations and new contracts as of November 14, 2025. This deviation does not apply to contracts signed and executed on or before November 13, 2025.

Approval

In accordance with RFO FAR 1.304 *Class deviations*, MCC Contracts Operating Manual (COM) 1.305-3 *Contracts and Grants Management Division MD/SPE*, and the OMB memo M-25-26, the RFO Part 32 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 14, 2025 for use by all MCC Contracting Officers until final implementation of the FAR update or rescission of this Memo by the SPE. Additional instructions related to this Memo may be issued by the Senior Procurement Executive, Deputy Managing Director, and the Supervisory Procurement Analyst of the MCC CGM Division on an *ad hoc* basis.

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[Attachments](#)

OMB Memo M-25-26 *Overhauling the Federal Acquisition Regulation*