



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: July 29, 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 Part 35 *Research and Development Contracting* Issued on July 24, 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-25-25 “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 July 24, 2025, the FAR Council issued completed revisions for [FAR Part 35](#). The RFO FAR Part 35 model deviation text has been streamlined from 25 to 20 components (subparts, sections, subsections) that are reorganized in a more logical flow of the procurement lifecycle. This significant update greatly improves the usability of the content.

Statutory requirements retained in the RFO FAR Part 35 deviation include, but are not limited to, the following:

- 31 U.S.C. § 6303, Using Procurement Contracts
- 10 U.S.C. § 4126, Use of Federally Funded Research and Development Centers

Some other key changes include:

Retained:

- The definitions of “Applied Research” and “Development” are retained at 35.001.
- The section titled “Policy” (moved from 35.003 to 35.002) is retained and has been streamlined to remove reference to “Recoupment.”
- New subparts 35.1, Presolicitation, 35.2, Evaluation and Award, and 35.3, Postaward create logical organization in alignment with the acquisition lifecycle, creating clear points of reference.
 - “Solicitations” (moved from 35.007 to 35.101) has been updated to include plain language improvements.
 - “Broad agency announcements” (moved from 35.016 to 35.102) retains core substance and unique procedures and has been updated with plain language improvements.
 - “Evaluation for award” (moved from 35.008 to 35.201) has been updated to include plain language improvements.
 - “Scientific and technical reports” (moved from 35.010 to 35.301) has been updated to include plain language improvements.
- Policies and procedures for “Federally Funded Research and Development Centers” (moved from 35.017 to 35.4) are retained with plain language improvements.

Removed:

- The definition of “Recoupment” at section 35.001.
- Section 35.002, “General” provided the context for R&D contracting. Its removal streamlines the part.
- Section 35.004, “Publicizing Requirements” was removed as largely duplicative of FAR Part 5.
- Section 35.005, “Work Statement” was removed to provide acquisition teams greater flexibility in crafting requirements best suited for the R&D effort.
- Section 35.006, “Contracting Methods and Contract Type” was removed as duplicative of FAR Part 16.
- The sections titled “Subcontracting research and development effort” (35.009), “Data” (35.011), “Patent Rights” (35.012), “Insurance” (35.013), and “Government property and title” (35.014) are removed as they are covered elsewhere in the FAR: Part 44 for Subcontracting; Part 27 for Data and Patents; Part 28 for Insurance; and Part 45 for Government Property.
- Section 35.015, “Contracts for research with educational institutions with educational institutions and nonprofit organizations” is removed. However, education institutions are still highlighted as an organization-type that should be considered during evaluation for award at 35.201.
- Requirements for Standard Form 298, Report Documentation Page, are removed. This provides more flexibility to complete reports in the best suited manner for the R&D effort.

Determination

To fully comply with the President's E.O.s and the revised FAR Part 35, MCC shall follow the [RFO Part 35 model deviation text](#) instead of FAR Part 35 as codified at 48 CFR Chapter 35. The FAR Council's RFO Part 35 model deviation text is available at [Acquisition.gov](#), under the "[FAR Overhaul](#)" link.

This deviation applies to all solicitations and new contracts as of July 24, 2025. This deviation does not apply to contracts signed and executed on or before July 23, 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-25-25, the RFO Part 35 model deviation text is hereby approved effective as of July 24, 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-25-25 *Overhauling the Federal Acquisition Regulation*