

Millennium Challenge Corporation Contracts and Grants Management Division 1099 14th Street NW | Suite 700 | Washington, DC 20005

MEMORANDUM

Date:	June 16, 2025
From:	Jonathan C. Hamlet Managing Director & Senior Procurement Executive Contracts and Grants Management Division Department of Administration and Finance Millennium Challenge Corporation
То:	MCC Contracts and Grants Management Division Staff
Subject:	Class Deviation to Implement the FAR Revisions Part 39 Acquisition of Information and Communication Technology Issued on June 12, 2025

Findings

On April 15, 2025, President Trump signed the <u>Executive Order (E.O.) 14275, "Restoring Common</u> <u>Sense to Federal Procurement"</u> to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of the <u>E.O. 14192, "Unleashing Prosperity Through Deregulation,"</u> 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 <u>gsaregsec@gsa.gov</u> for public posting on Acquisition.gov."

On June 12, 2025, the FAR Council issued completed revisions for <u>FAR Part 39</u>. The RFO FAR Part 39 model deviation text has been streamlined to be future forward and emphasize strategies that promote faster acquisition and secure deployment of technology that is new or emerging.

Notably, FAR Part 39 is renamed from "Acquisition of Information Technology" to "Acquisition of Information and Communication Technology."

Statutory requirements retained in the RFO FAR Part 39 deviation include, but are not limited to, the following:

- 41 U.S.C. § 2308, Modular Contracting for Information Technology
- 40 U.S.C. § 1461, Procurement Procedures
- 29 U.S.C. § 794d, Electronic and Information Technology

Some other key changes include:

Retained:

- The applicability of Part 39 to information technology, Internet of Things devices, and operational technology. Importantly, Part 39 clarifies its application to new or emerging technology.
- Agencies should continue to use modular contracting for incremental and successive contracts when acquiring IT.
- The prohibition on describing minimum experience or educational requirements is now discretionary rather than mandatory.
- Accessibility standards, including Section 508 compliance, are still required (with limited exceptions and exemptions) to ensure federal employees and members of the public with disabilities have comparable access and use of information and data.
- Information regarding the management of risk has been streamlined. Both the contracting and program office offices are responsible for assessing, monitoring and controlling risk throughout the acquisition process

Removed:

- Reference to OMB Circular No's A-127, Financial Management Systems, and A-130, Management of Federal Information Resources. These Circulars may still be applicable for certain
- procurements and use of them is more appropriate for a guide.
- Redundant prohibitions currently covered in FAR subparts 4.20, 4.21, 4.22, 4.23, and FAR Part 40 not unique to IT procurements.
- Clause 52.239-1, Privacy or Security Safeguards and its prescription.

Determination

To fully comply with the President's E.O.s and the revised FAR Part 39, MCC shall follow the <u>RFO Part</u> <u>39 model deviation text</u> instead of FAR Part 39 as codified at 48 CFR Chapter 39. The FAR Council's RFO Part 39 model deviation text is available at <u>Acquisition.gov</u>, under the "<u>FAR Overhaul</u>" link.

This deviation applies to all solicitations and new contracts as of June 12, 2025. This deviation does not apply to contracts signed and executed on or before June 12, 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 39 model deviation text is hereby approved effective as of June 12, 2025 for use by all MCC

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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.

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

Attachments OMB Memo M-25-25 Overhauling the Federal Acquisition Regulation