MILLENNIUM CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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

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 48 *Value Engineering* and 52 *Solicitation Provisions and Contract Clauses* Issued on August 28, 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 August 28, 2025, the FAR Council issued completed revisions for FAR Part 48 and FAR Part 52 clause. The RFO FAR Part 48 model deviation text has been updated to be more direct, active, and accessible. The model deviation text removes nearly 3,000 words (70%) from the current language.

Statutory requirements retained in the RFO FAR Part 48 model deviation include, but are not limited to, the following:

- 41 U.S.C. § 1711, Value Engineering
- OMB Circular A-131, Value Engineering

Other key changes include:

Retained:

- Sections 48.101, "General," and 48.102, "Policies," are retained and significantly streamlined.
- Prescriptive information previously covered within section 48.104, "Sharing arrangements" is retained in the following clauses:
  - 52.248-1 covers information previously at 48.104-1, "Determining sharing period"
  - 52.248-1(f) and (g) covers information previously at 48.104-2, "Sharing acquisition savings"
  - 52.248-1(j) covers information previously at 48.104-3, "Sharing collateral savings"
  - 52.248-1(i)(5) covers information previously at 48.104-4, "Sharing alternative-no-cost settlement method"
- Prescriptive information previously covered in section 48.105, "Relationship to other incentives" is retained in clause 52.248- 1(k).
- All clauses are retained with no changes to the text.
  - 52.248-1 Value Engineering
  - 52.248-2 Value Engineering—Architect-Engineer

Removed:

- Section 48.000, "Scope of Part" is removed as the content is self-evident and did not add value.
- The following terms are removed from section 48.001, "Definitions" as they were duplicative of definitions in clause 52.248-1, Value Engineering:
  - Government costs
  - Negative instant contract savings
  - Net acquisition savings
- Information in section 48.102(f) on calculating profit or fees for value engineering change proposal savings will be covered in the FAR Companion Guide.
- Section 48.103, "Processing value engineering change proposals" is removed because required information is covered in the clauses at 52.248-1 and 52.248-3. Additional information on implementing approaches and principles will be covered in the FAR Companion Guide.
- Information within section 48.104, on establishing sharing periods and rates will be covered in the FAR Companion Guide.

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 48 and 52, MCC shall follow the RFO Part 48 model deviation text instead of FAR Part 48 as codified at 48 CFR Chapter 48 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 48 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 48 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.

Jonathan C Hamlet
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Date: 2025.11.14 13:38:15 -05'00'

Jonathan C. Hamlet
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Attachments

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