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

MEMORANDUM

Date: June 30, 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 6 Competition Requirements

Issued on June 27, 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 gsa.gov for public posting on Acquisition.gov."

On June 27, 2025, the FAR Council issued completed revisions for <u>FAR Part 6</u>. The RFO FAR Part 6 model deviation text has been streamlined to strengthen clarity and focus, helping to ensure procedures that support full and open competition are easier to understand and apply.

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Statutory requirements retained in the RFO FAR Part 6 deviation include, but are not limited to, the following:

- 41 U.S.C. § 1705, Advocates for Competition
- 41 U.S.C. § 3301 and 10 U.S.C. § 3201, Full and Open Competition
- 41 U.S.C. § 3303 and 10 U.S.C. § 3203, Exclusion of Particular Source or Restriction of Solicitation to Small Business Concerns
- 41 U.S.C. § 3304, Use of Noncompetitive Procedures
- 10 U.S.C. § 3204, Use of Procedures Other than Competitive Procedures
- 15 U.S.C. Chapter 14A, Aid to Small Business
- 42 U.S.C. § 5150, Major Disaster and Emergency Assistance, Use of Local Firms and Individuals

Some other key changes include:

Retained:

- FAR part 6 continues to apply to all acquisitions, with limited exceptions for specific contracts and orders.
- Advocates for Competition, previously at subpart 6.5, has been moved to section 6.003.
 Details about the role and responsibilities have been streamlined.
- Guidance pertaining to Sealed Bidding has been streamlined and moved from subpart 6.4 to section 6.101.
- Authorities for other than full and open competition, including only one responsible source, remain.
- Contracting officers retain discretion to set aside acquisitions for small business concerns, including contract actions conducted under the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, and local firms during a major disaster or emergency.
- Justification and approval requirements to support noncompetitive procedures.
 - o These requirements have been significantly streamlined.
 - The revised language highlights that contracting officers require support from the broader acquisition team when making decisions regarding competition.
 - The approval levels are now reflected in a plain language table format.

Removed:

- Unnecessary or redundant language was removed throughout. Examples include-
 - The word "advance" was removed from the phrase, "A lack of advance planning by the requiring activity." The language now reads, "A lack of planning by the requiring activity." This avoids ambiguity surrounding the meaning of "advance" planning.
 - The list of specific small business socioeconomic categories was removed and replaced with a reference to Part 19.
- Illustrative examples of when to use certain exceptions to full and open competition have been removed and may be moved to nonregulatory content.

Determination

To fully comply with the President's E.O.s and the revised FAR Part 6, MCC shall follow the <u>RFO Part 6 model deviation text</u> instead of FAR Part 6 as codified at 48 CFR Chapter 6. The FAR Council's RFO Part 6 model deviation text is available at <u>Acquisition.gov</u>, under the "<u>FAR Overhaul</u>" link.

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This deviation applies to all solicitations and new contracts as of June 27, 2025. This deviation does not apply to contracts signed and executed on or before June 27, 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 6 model deviation text is hereby approved effective as of June 27, 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