



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 14, 2025

From: Jonathan C. Hamlet
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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 7 *Acquisition Planning* and 52 *Solicitation Provisions and Contract Clauses* Issued on September 4, 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 4, 2025, the FAR Council issued completed revisions for [FAR Part 7](#) and [FAR Part 52](#) clause. The RFO FAR Part 7 model deviation text has been streamlined to emphasize flexibility and move away from prescriptive checklists in favor of a dynamic planning process.

The deviation recognizes the distinctions between task and delivery orders and award of new contracts, requiring appropriate acquisition planning for each. The placing of task and delivery orders is a faster and more streamlined process with significantly less pre-award actions required than in awarding new contracts. The level of detail should vary with the size and complexity of the acquisition.

The deviation to Part 7 also picks up on requirements previously found in FAR Part 10 to ensure small business concerns are appropriately considered. Requirements for bundling, substantial bundling, and consolidation are unified to ensure common consideration of any potential negative impact on small business.

While there is no longer a requirement for acquisition plans with specific elements, there should still be forethought in what is being procured. Having a plan is key to ensuring the guiding principles of the acquisition system are met. By emphasizing early engagement, this change creates more opportunities to foster innovation and achieve successful results, reflecting a shift toward a more agile and strategic approach.

Statutory requirements retained in the RFO FAR Part 7 model deviation include, but are not limited to, the following:

- 41 U.S.C. §§ 3301 et seq, Planning and Solicitation
- 10 U.S.C. § 3453, Preference for Commercial Products and Commercial Services
- 15 U.S.C. § 657q, Consolidation of Contract Requirements
- 15 U.S.C. § 644, Awards or Contracts
- Pub. L. 115-254, Sec 555, Cost-Effectiveness Analysis of Equipment Rental
- OFPP Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions

Other key changes include:

Added:

- Section 7.102, is renamed “Requirements” and establishes the fundamental requirement for acquisition planning in all acquisitions. It mandates that agencies establish procedures for determining whether a written or oral plan is needed and lists high-level outcomes that planning must promote:
 - Acquisition of commercial products or services
 - Full and open competition
 - Selection of appropriate contract type
 - Use of existing contracts

Note - Although 7.102 gives agencies discretion in establishing procedures for written or oral plans, 7.102(d) retains the requirement to use a written plan for cost reimbursement and other high-risk contracts.

Retained:

- The definitions at 7.101, “Definitions”, are retained and most have been simplified to improve clarity.
- Subpart 7.5, “Inherently Governmental Functions”, is retained and revised for clarity and readability, primarily through plain-language edits and structural reorganization.

- Clauses and provisions, with no changes in text:
 - 52.207-4 Economic Purchase Quantity—Supplies
 - 52.207-5 Option To Purchase Equipment
 - 52.207-6 Solicitation of Offers from Small Business Concerns and Small Business Teaming Arrangements or Joint Ventures (Multiple-Award Contracts)

Updated:

- In section 7.000, “Scope of Part”, para (a) is revised from "Developing acquisition plans" to "Acquisition planning and developing acquisition plans". This broadens the scope to encompass the entire planning process, not just the act of creating a document.
- Section 7.103, “Agency-head Responsibilities”, is updated from a long list of specific tasks to a list of high-level responsibilities, such as creating streamlined procedures for different acquisition types (e.g., orders, commercial products and services), establishing criteria for high-risk contracts, and ensuring small business opportunities are considered.
- Section 7.104, “General Procedures”, is updated to highlight that early planning can create opportunities to structure the procurement approach in a way that promotes competition and innovation.
 - Practitioners should review the FAR Companion for best practices for innovative acquisition planning techniques.
- Section 7.107, “Additional Requirements for Acquisitions Involving Consolidation, Bundling, or Substantial Bundling”, is updated to streamline and standardize the analysis, determination, and notification requirements – there are no longer separate requirements for each, with the goal of ensuring this important step in the acquisition process is understood by the workforce.
 - 7.107-1(a) retains the requirement for market research before conducting an acquisition that consolidates or bundles requirements.
- Section 7.108, “Additional Requirements for Teleworking”, is updated to reflect modern terminology and simplified language. For example, the term “telecommuting” has been updated to “teleworking”.
- Section 7.403, formerly titled "General Services Administration Assistance and OMB Guidance," has been retitled "OMB Guidance". Paragraphs (a) and (b) of the former section, which described the types of assistance available from GSA, have been removed. The content of the former paragraph (c), which provides references to relevant OMB circulars, has been retained and updated with new hyperlinks. The removal of the GSA assistance information streamlines the text by deleting content that is informational rather than regulatory. The process agencies use to perform a lease-versus-purchase analysis remains intact in clause 52.207-5.

Removed:

- Section 7.105, “Contents of Written Acquisition Plans” is removed and marked “Reserved.” Relevant content will be reflected in the FAR Companion.
- Section 7.200, “Scope of Subpart” regarding economic quantities of purchases, has been deleted and marked “Reserved” as it is unnecessary.
- Section 7.204, “Responsibilities of Contracting Officers” has been deleted as the content is covered by FAR 52.207-4.

- Subpart 7.3, “Contractor Versus Government Performance”, and its underlying sections have been deleted and marked “Reserved” as Congress has consistently placed a statutory hold on A-76 competitions since 2008.
- The following clause and provisions are removed:
 - 52.207-1 Notice of Standard Competition
 - 52.207-2 Notice of Streamlined Competition
 - 52.207-3 Right of First Refusal of Employment

Determination

To fully comply with the President’s E.O.s and the revised FAR Parts 7 and 52, MCC shall follow the [RFO Part 7 model deviation text](#) instead of FAR Part 7 as codified at 48 CFR Chapter 7 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 7 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 7 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*