



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

MEMORANDUM

Date: August 11, 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 26 *Other Socioeconomic Programs* and 52 *Solicitation Provisions and Contract Clauses* Issued on August 7, 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 August 7, 2025, the FAR Council issued completed revisions for [FAR Part 26](#) and [FAR Part 52](#) clause. The RFO FAR Part 26 model deviation text has been reorganized within each subpart to follow

the acquisition process, *i.e.*, steps to take before solicitation vs. after award. This new structure makes it easier and faster to find needed information at each stage of procurement.

Statutory requirements retained in the RFO FAR Part 26 model deviation include, but are not limited to, the following:

- 6 U.S.C. § 796, Registry of Disaster Response Contractors
- 25 U.S.C. § 1544, Additional Compensation to Contractors of Federal Agency
- 41 U.S.C. §§ 8101 et seq, Drug Free Workplace
- 42 U.S.C. § 1792, Promoting Federal Food Donation
- 42 U.S.C. § 5150, Use of Local Firms and Individuals
- Pub. L. 100-707 (42 U.S.C. §§ 5121 et seq), Robert T. Stafford Disaster Relief and Emergency Assistance Act
- Pub. L. 114-328 Section 816, Amendments to Special Emergency Procurement Authority
- Pub. L. 114-328 Section 1641, Special Emergency Procurement Authority to Facilitate the Defense Against or Recovery from a Cyber Attack.
- E.O. 12928, Promoting Procurement with Historically Black Colleges and Universities, and Minority Institutions

Other key changes include:

Retained:

- All subparts remain. The subparts are restructured from numerous scattered sections to sections that now reflect the acquisition lifecycle.
- The core tenets of the programs governed by Part 26 are preserved.
 - The 5% incentive payment for utilizing Indian organizations and Indian-owned economic enterprises as subcontractors remains allowable and is renumbered as 26.102-1.
 - The statutory preference for awarding contracts to local firms in the aftermath of a major disaster or emergency remains and is renumbered as 26.202-1.
 - The policy to encourage the participation of Historically Black Colleges and Universities and Minority Institutions in federal procurement continues and is renumbered as 26.301-1.
 - The policy encouraging contractors to donate excess wholesome food remains the same and is renumbered as 26.402-1.
 - The fundamental requirements to maintain a drug-free workplace continues and is renumbered as 26.504-1.
- All existing provisions and clauses are retained. The following clauses are updated:
 - Clause 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises.
 - Clause 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. This clause no longer flows down to subcontractors.

Removed:

- Former sections 26.601, "Purpose", 26.602, "Applicability", and 26.603, "Definitions" are removed. The clause at 52.226-8 retains the definitions.
- Former section 26.303, Data collection and reporting requirements is removed. Detailed data on contract awards is already captured and tracked through other methods (e.g., the Federal Procurement Data System (FPDS)).

- The procedures for challenges to representations under the Indian Incentive Program were removed from FAR 26.103 and may be incorporated into non-regulatory guidance.
- Information pertaining to the Disaster Response Registry was removed from FAR 26.205 and may be covered in nonregulatory guidance.
- Procedures related to the Food Donation Program were removed from FAR 26.403 and may be retained in non-regulatory guidance.

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 26 and 52, MCC shall follow the [RFO Part 26 model deviation text](#) instead of FAR Part 26 as codified at 48 CFR Chapter 26 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 26 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 August 7, 2025. This deviation does not apply to contracts signed and executed on or before August 6, 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 26 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of August 7, 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*