



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: 8 May 2025

From: Lisa M. Smith
Deputy Managing Director, Contracts and Grants Management Division
On behalf of Jonathan C. Hamlet, Senior Procurement Executive
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 1 and 52 Issued on May 2, 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 May 2, 2025, the FAR Council issued completed revisions for [FAR Part 1](#) and [FAR Part 52](#) provision. In explaining the Federal Acquisition System, the RFO FAR Part 1 model deviation text establishes bedrock principles. Most centrally, it sets a “mission first” message at the top of the guiding principles. The RFO FAR Part 1 model deviation also increases the emphasis on the best

use of taxpayer dollars and calls out the value of time as another guiding principle. Additionally, it retains a focus on satisfying the customer, maximizing use of commercial products and services, promoting competition, and encouraging innovation. Statutory requirements retained in the RFO FAR Part 1 model deviation include, but are not limited to, the following:

- 31 U.S.C. 3702, Authority to Settle Claims
- 41 U.S.C. 13 et seq, Acquisition Councils
- 41 U.S.C. 17 et seq, Agency Responsibilities and Procedures
- 41 U.S.C. 1908, Inflation Adjustment of Acquisition Thresholds
- 41 U.S.C. 3102, Delegation and Assignment of Powers, Functions, and Responsibilities

Non-statutory requirements removed from FAR Part 1 include, but are not limited to, the following:

- The list of OMB approved control numbers contained in subpart 1.1. These controls numbers are now listed on Acquisition.gov
- Subpart 1.2 - Administration
- Subpart 1.5 - Agency and Public Participation procedures.

Other key changes include:

- Class deviations require approval by the FAR Council except where required to implement agency-specific executive or statutory direction.

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 1 and 52, MCC shall follow the [RFO Part 1 model deviation text](#) instead of FAR Part 1 as codified at 48 CFR Chapter 1 and replace the relevant [RFO Part 52 model deviation provision](#) instead of the FAR Part 52 provision as codified at 48 CFR Chapter 52. The FAR Council's RFO Part 1 and Part 52 model deviation text is available at [Acquisition.gov](#), under the "[FAR Overhaul](#)" link.

This deviation applies to all solicitations and new contracts as of May 2, 2025. This deviation does not apply to contracts signed and executed on or before May 1, 2025.

Approval

In accordance with FAR 1.404 *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 1 model deviation text and the RFO Part 52 model deviation provision are hereby approved effective as of May 2, 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.

Lisa M. Smith
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On behalf of Jonathan C. Hamlet, Senior Procurement Executive
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Attachments

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