



Pension Benefit Guaranty Corporation
445 12th St, SW, Washington, DC 20024

Class Deviation PBGC-2026-0009

MEMORANDUM FOR PBGC ACQUISITION WORKFORCE

Date: February 3, 2026
From: Damon Q. McClure, Senior Procurement Executive
Subject: FAR Class Deviation for FAR Part 17 in Support of Executive Order on Restoring Common Sense to Federal Procurement

1. Purpose: This class deviation is issued in accordance with FAR 1.304 and pursuant to the Office of Federal Procurement Policy memorandum entitled, “Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation,” to provide contracting officers with revised FAR Part 17 language and implement the FAR Council’s model deviation to FAR Part 17.

2. Background: On April 15, 2025, [Executive Order \(E.O.\) 14275 on Restoring Common Sense to Federal Procurement](#) was signed. Section 2 of the E.O. establishes the policy that the FAR “should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed.”

The FAR is being updated to:

- Remove language that is not required by statute
- Remove duplicative or outdated language
- Clarify or provide more plain language
- Revise the language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

3. Summary of Changes. FAR Part 17, Special Contracting Methods, has been streamlined. The revisions can be characterized by three overarching themes: organizing information in a way that's easier to understand and use; combining related topics and removing repeated information; and making the language clearer through simpler sentences, active voice, and better formatting.

Statutory requirements retained in the RFO FAR Part 17 model deviation include, but may not be limited to, the following:

- 41 U.S.C. § 3903 and 10 U.S.C. § 3501, Multiyear Contracts
- 31 U.S.C. § 1341, Limitations on Expending and Obligating Amounts
- 31 U.S.C. § 1535, The Economy Act
- Pub. L. 110-417 Sec. 865, Preventing Abuse of Interagency Contracts
- Pub. L. 110-181 Sec. 801, Internal Controls for Procurements on Behalf of the Department of Defense by Certain Non-defense Agencies

| Change | Description |
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| Retained | <ul style="list-style-type: none"> • Section 17.000 “Scope of Part”, is retained and expanded to provide a more complete list of the special contracting methods covered within the part. • Subpart 17.1 “Multiyear Contracting”, is retained and restructured. This reorganization involves the deletion of some sections, the consolidation of others, and the creation of new sections to house relocated and revised content. • The “Definitions” for multiyear contracting are moved to section 17.102, and all are retained with some plain language or clarifying updates. • The “Policy” for multiyear contracting is moved to subsection 17.103-1 and revised to include two statutory requirements for DoD when considering entering into a multiyear contract for supplies: <ul style="list-style-type: none"> ○ (b)(6): The contract must promote national security of the United States. ○ (b)(7): For contracts valued at \$500,000,000 or more, the Secretary must certify that specific conditions outlined in 10 U.S.C. § 3501 will be met. • Subpart 17.2 “Options”, is retained and restructured. This reorganization involves the consolidation of some sections, and the creation of new sections to house relocated and revised content. • Subpart 17.3 remains reserved. • Subpart 17.5 “Interagency Acquisitions”, is updated with plain-language revisions and formatting improvements for clarity. • Subparts 17.6 and 17.7 are reordered, creating a more logical flow by placing all content concerning interagency acquisitions in sequential order. <ul style="list-style-type: none"> ○ “Interagency Acquisitions: Acquisitions by Non-defense Agencies on Behalf of the Department of Defense” <ul style="list-style-type: none"> ▪ Previously at subpart 17.7, now at 17.6 ○ “Management and Operating Contracts” <ul style="list-style-type: none"> ▪ Previously at subpart 17.6, now at 17.7 • Subparts 17.1 “Multiyear Contracting”, 17.2 “Options”, 17.7 “Management and Operating Contracts”, and 17.8 “Reverse Auctions” are reorganized to follow the stages of the acquisition lifecycle <ul style="list-style-type: none"> ▪ Presolicitation ▪ Evaluation and Award ▪ Postaward • All clauses and provisions prescribed in this part are retained. <ul style="list-style-type: none"> ○ The following provisions have been updated to reflect current cross-references: <ul style="list-style-type: none"> ▪ 52.217-4, Evaluation of Options Exercised at Time of Contract Award ▪ 52.217-5, Evaluation of Options ○ Please note that the fill-ins at 52.217-8 and 52.217-9 remain the same and must still be completed by the acquisition team. |

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| <p>Removed</p> | <ul style="list-style-type: none"> • Content from previous section 17.105-2 about the objectives and benefits of multiyear contracting is removed and is expected to be moved to the FAR Companion. • Content from previous sections 17.203 and 17.204 reflecting best practices for options in solicitations and contracts is expected to be moved to the FAR Companion. • Previous sections 17.107 “Options” and 17.205 “Documentation” are removed as the content was redundant and unnecessary. • Content previously at section 17.207 “Exercise of Options” is streamlined and moved to 17.204-1. • Subpart 17.4 “Leader Company Contracting”, has been significantly streamlined. The new subpart retains an explanation of the technique but the detailed procedures and best practices for this technique is expected to be moved to the FAR Companion. • Criteria for identifying management and operating contracts, previously at section 17.604 “Identifying management and operating contracts”, is removed as it is unnecessary. • Content from previous section 17.802(c) for best practices for reverse auctions is expected to be moved to the FAR Companion. |
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This table is not an exhaustive list

4. Instructions:

- The PBGC acquisition workforce shall follow the RFO Part 17 model deviation text instead of FAR Part 17 as codified at 48 CFR Chapter 1. The Council’s RFO Part 17 model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul) and is incorporated into this class deviation.
- When using any provisions or clauses that have been revised, utilize the RFO model deviation language at [RFO FAR Part 52](#).
- Contracting activities must review templates and related standard operating procedures to align with this class deviation and remove unnecessary processes and steps.

5. Applicability: This deviation applies to all Pension Benefit Guaranty Corporation solicitations and new contracts.

6. Authority: This class deviation is issued under the authority of Executive Order (E.O.) 14275, [OMB M-25-26](#), 48 CFR Subpart 1.4, and FAR RFO 1.304.

7. Effective Date: This class deviation remains in effect until the changes described herein are incorporated in the FAR, superseded, or otherwise rescinded.

8. Point of Contact: Questions or comments on this class deviation may be sent to Jeff Gangi at gangi.jeffrey@pbgc.gov.