



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

Class Deviation PBGC-2026-0021

## MEMORANDUM FOR PBGC ACQUISITION WORKFORCE

**Date:** February 3, 2026  
**From:** Damon Q. McClure, Senior Procurement Executive  
**Subject:** FAR Class Deviation for FAR Part 32 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 32 language and implement the FAR Council’s model deviation to FAR Part 32.

**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- Remove duplicative or outdated language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 Summary of Changes.** FAR Part 32, Contract Financing, has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at subpart 13.4) for smaller dollar purchases.

Statutory requirements retained in the RFO FAR Part 32 model deviation include, but may not be limited to, the following:

- 10 U.S.C. §§ 3801 et seq and 41 U.S.C. §§ 4501 et seq, Contract Financing
- 31 U.S.C. § 1341, Anti-Deficiency Act
- 31 U.S.C. § 3324, Advances
- 31 U.S.C. § 3711, Debt Collection Improvement Act of 1996
- 31 U.S.C. § 3727 and 41 U.S.C. § 6305, Assignment of Claims Act of 1940
- 31 U.S.C. §§ 3901 et seq, Prompt Payment Act
- 50 U.S.C. §§ 4501 et seq, Defense Production Act of 1950

- Pub. L. 102-190 Sec 806 as amended (10 U.S.C. § 4601 note prec.), Government-wide Application of Payment Protections for Subcontractors and Suppliers

Change	Description
<b>Retained</b>	<ul style="list-style-type: none"> <li>• Section 32.001, “<b>Definitions</b>” is retained with plain language updates.</li> <li>• Most <b>provisions and clauses</b> are retained (or remain reserved). Exceptions are noted in the “<b>Moved / Updated</b>” section below.</li> </ul>
<b>Moved/Updated</b>	<ul style="list-style-type: none"> <li>• Section 32.000, “<b>Scope of Part</b>”, is updated to include the statutory references for the part. <ul style="list-style-type: none"> <li>○ This section adds “<b>(k) Fast payment procedures</b>” to correspond with the newly introduced Subpart 32.12.</li> </ul> </li> <li>• Section 32.002, “Applicability of subparts”, adds reference to “<b>Subpart 32.12, Fast Payment Procedure</b>”.</li> <li>• Subpart 32.12, “<b>Fast Payment Procedure</b>”, formerly at subpart 13.4 is added to the part. This procedure is a method for expediting payments on certain small-dollar supply contracts where traditional receiving and acceptance processes are impractical. Moving the procedure to Part 32 enhances acquisition agility.</li> <li>• The <b>following clauses</b> are updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content: <ul style="list-style-type: none"> <li>○ 52.232-3 (Clause), Payments Under Personal Services Contracts</li> <li>○ 52.232-12 (Clause), Advance Payments <ul style="list-style-type: none"> <li>▪ Including “Advance Payments Without Special Account”</li> </ul> </li> <li>○ 52.232-16 (Clause), Progress Payments</li> <li>○ 52.232-20 (Clause), Limitation of Cost</li> <li>○ 52.232-22 (Clause), Limitation of Funds</li> <li>○ 52.232-36 (Clause), Payment by Third Party</li> </ul> </li> <li>• The <b>following clause</b> is added to the part: <ul style="list-style-type: none"> <li>○ 52.232-90 (Clause), Fast Payment Procedure (previously at 52.213-1)</li> </ul> </li> <li>• The <b>FAR Companion</b> is expected to contain best practices and guidance on the following: <ul style="list-style-type: none"> <li>○ Contract Financing Payments</li> <li>○ Advance Payments for Other Than Commercial Acquisitions</li> <li>○ Deferral of Collection</li> <li>○ Limitation of Cost</li> </ul> </li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>• Paragraph (d) under section 32.102, “<b>Description of contract financing methods</b>” is deleted and marked reserved. The content was largely explanatory, as the requirement to pay for accepted partial deliveries is a standard payment method governed by Prompt Payment rules in Subpart 32.9 and standard payment clauses, not a form of contract financing. <b>See the FAR Companion for best practice.</b></li> <li>• Sections 32.304 through 32.306, under subpart 32.3, “<b>Loan Guarantees for Defense Production</b>”, are deleted and marked reserved. These sections and associated subsections provided extensive procedural details for the loan guarantee program. While the program's authority remains in sections</li> </ul>

	<p>32.302 and 32.303, the responsibility for implementation procedures is with the individual guaranteeing agencies and does not need to be spelled out in detail in the FAR.</p> <ul style="list-style-type: none"> <li>• Section 32.403 “Applicability”, under subpart 32.4, “<b>Advance Payments for Other Than Commercial Acquisitions</b>”, is deleted and marked reserved. The language provided a detailed list in paragraphs (a) through (h), of eight specific categories where advance payments might be appropriate. This served as illustrative guidance and a non-exhaustive checklist that is not based in statute or required in the FAR. <b>See the FAR Companion for best practice.</b></li> </ul>
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This table is not an exhaustive list

#### 4. Instructions:

- The PBGC acquisition workforce shall follow the RFO Part 32 model deviation text instead of FAR Part 32 as codified at 48 CFR Chapter 1. The Council’s RFO Part 32 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.
- Acquisition teams should review the FAR Companion for a number of best practices and guidance specific to this part.

**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](mailto:gangi.jeffrey@pbgc.gov).