



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

Class Deviation PBGC-2026-0023

MEMORANDUM FOR PBGC ACQUISITION WORKFORCE

Date: February 3, 2026
From: Damon Q. McClure, Senior Procurement Executive
Subject: FAR Class Deviation for FAR Part 35 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 35 language and implement the FAR Council’s model deviation to FAR Part 35.

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- Remove duplicative or outdated language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 35, Research and Development Contracting, moves away from a prescriptive, specialized regulatory framework for research and development (R&D) contracting toward a streamlined structure that empowers acquisition professionals and makes the federal R&D environment more attractive for innovative commercial firms.

The part is streamlined from 25 to 20 components (subparts, sections, subsections) that are reorganized in a more logical flow of the procurement lifecycle. This significant update greatly improves the usability of the content.

Statutory requirements retained in the RFO FAR Part 35 model deviation include, but are not limited to, the following:

- 31 U.S.C. § 6303, Using Procurement Contracts
- 10 U.S.C. § 4126, Use of Federally Funded Research and Development Centers

Change	Description
Retained	<ul style="list-style-type: none"> • The definitions of “Applied Research” and “Development” are retained at 35.001. • The section titled “Policy” (moved from 35.003 to 35.002) is retained and has been streamlined to remove reference to “Recoupment.” • New subparts 35.1, Presolicitation, 35.2, Evaluation and Award, and 35.3, Postaward create logical organization in alignment with the acquisition lifecycle, creating clear points of reference. <ul style="list-style-type: none"> ○ “Solicitations” (moved from 35.007 to 35.101) has been updated to include plain language improvements. ○ “Broad agency announcements” (moved from 35.016 to 35.102) retains core substance and unique procedures and has been updated with plain language improvements. ○ “Evaluation for award” (moved from 35.008 to 35.201) has been updated to include plain language improvements. ○ “Scientific and technical reports” (moved from 35.010 to 35.301) has been updated to include plain language improvements. • Policies and procedures for “Federally Funded Research and Development Centers” (moved from 35.017 to 35.4) are retained with plain language improvements.
Removed	<ul style="list-style-type: none"> • The definition of “Recoupment” at section 35.001. • Section 35.002, “General” provided the context for R&D contracting. Its removal streamlines the part. • Section 35.004, “Publicizing Requirements” was removed as largely duplicative of FAR Part 5. • Section 35.005, “Work Statement” was removed to provide acquisition teams greater flexibility in crafting requirements best suited for the R&D effort. • Section 35.006, “Contracting Methods and Contract Type” was removed as duplicative of FAR Part 16. • The sections titled “Subcontracting research and development effort” (35.009), “Data” (35.011), “Patent Rights” (35.012), “Insurance” (35.013), and “Government property and title” (35.014) are removed as they are covered elsewhere in the FAR: Part 44 for Subcontracting; Part 27 for Data and Patents; Part 28 for Insurance; and Part 45 for Government Property. • Section 35.015, “Contracts for research with educational institutions with educational institutions and nonprofit organizations” is removed. However, education institutions are still highlighted as an organization-type that should be considered during evaluation for award at 35.201.

This table is not an exhaustive list

4. Instructions:

- The PBGC acquisition workforce shall follow the RFO Part 35 model deviation text instead of FAR Part 35 as codified at 48 CFR Chapter 1. The Council's RFO Part 35 model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul) and is incorporated into this class deviation.
- 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.