



MEMORANDUM FOR PBGC ACQUISITION WORKFORCE

Date: February 3, 2026
From: Damon Q. McClure, Senior Procurement Executive
Subject: FAR Class Deviation for FAR Part 49 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 49 language and implement the FAR Council’s model deviation to FAR Part 49.

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- Remove duplicative or outdated language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 49, Termination of Contracts, has been updated for clarity and usability.

Statutory requirements retained in the RFO FAR Part 49 model deviation include, but are not limited to, the following:

- 31 U.S.C. § 3729, False Claims
- 41 U.S.C. §§ 7101 et seq (Pub. L. 95-563), The Contract Disputes Act of 1978

Change	
Retained	<ul style="list-style-type: none">• Section 49.000, “Scope of Part”, is simplified and retains the core scope of establishing policies and procedures for terminating contracts early.• Section 49.001, “Definitions”, is retained and updated for plain language.

	<ul style="list-style-type: none"> • Section 49.002, “Applicability”, is retained and updated for plain language with a simpler structure. • Subparts 49.1, 49.2, 49.3, 49.4, 49.5, 49.6 and the sections therein, remain mostly intact and are streamlined with some shifting and reorganizing of sections and subsections throughout. • All existing clauses are retained (or remain reserved if previously reserved) with no changes to the text.
Removed	<ul style="list-style-type: none"> • Plain language edits were made throughout to enhance readability and remove redundant, unclear, or non-essential language, decreasing the word count by more than 2,500 words. • Subsection 49.108-7 “Government assistance in settling subcontracts”, Section 49.113 “Cost principles”, and Section 49.405 “Completion by another contractor” have been removed and may be moved to non-regulatory content.

This table is not an exhaustive list

4. Instructions:

- The PBGC acquisition workforce shall follow the RFO Part 49 model deviation text instead of FAR Part 49 as codified at 48 CFR Chapter 1. The Council’s RFO Part 49 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.