



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

Class Deviation PBGC-2026-0043

MEMORANDUM FOR PBGC ACQUISITION WORKFORCE

Date: February 20, 2026
From: Damon Q. McClure, Senior Procurement Executive
Subject: FAR Class Deviation for FAR Part 7 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 7 language and implement the FAR Council’s model deviation to FAR Part 7.

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- Remove duplicative or outdated language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 7, Acquisition Planning, is streamlined to emphasize flexibility and move away from prescriptive checklists in favor of a dynamic planning process.

The deviation recognizes the distinctions between task and delivery orders and award of new contracts, requiring appropriate acquisition planning for each. The placing of task and delivery orders is a faster and more streamlined process with significantly less pre-award actions required than in awarding new contracts. The level of detail should vary with the size and complexity of the acquisition.

The deviation to Part 7 also picks up on requirements previously found in FAR 10 to ensure small business concerns are appropriately considered. Requirements for bundling, substantial bundling, and consolidation are unified to ensure common consideration of any potential negative impact on small business.

While there is no longer a requirement for acquisition plans with specific elements, there should still be forethought in what is being procured. Having a plan is key to ensuring the guiding principles of the

acquisition system are met. By emphasizing early engagement, this change creates more opportunities to foster innovation and achieve successful results, reflecting a shift toward a more agile and strategic approach.

Statutory requirements and executive requirements retained in the RFO FAR Part 7 model deviation include, but may not be limited to, the following:

- 41 U.S.C. §§ 3301 et seq, Planning and Solicitation
- 10 U.S.C. § 3453, Preference for Commercial Products and Commercial Services
- 15 U.S.C. § 657q, Consolidation of Contract Requirements
- 15 U.S.C. § 644, Awards or Contracts
- Pub. L. 115-254, Sec 555, Cost-Effectiveness Analysis of Equipment Rental
- OFPP Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions

Change	Description
<p>New/Retained/Updated</p>	<ul style="list-style-type: none"> • <u>Updated</u>: In section 7.000, “Scope of Part”, para (a) is revised from "Developing acquisition plans" to "Acquisition planning and developing acquisition plans". This broadens the scope to encompass the entire planning process, not just the act of creating a document. • <u>Retained</u>: The definitions at 7.101, “Definitions”, are retained and most have been simplified to improve clarity. • <u>New</u>: Section 7.102, is renamed “Requirements” and establishes the fundamental requirement for acquisition planning in all acquisitions. It mandates that agencies establish procedures for determining whether a written or oral plan is needed and lists high-level outcomes that planning must promote: <ul style="list-style-type: none"> ○ Acquisition of commercial products or services ○ Full and open competition ○ Selection of appropriate contract type ○ Use of existing contracts <p>Note - Although 7.102 gives agencies discretion in establishing procedures for written or oral plans, 7.102(d) retains the requirement to use a written plan for cost reimbursement and other high-risk contracts.</p> • <u>Updated</u>: Section 7.103, “Agency-head Responsibilities”, is updated from a long list of specific tasks to a list of high-level responsibilities, such as creating streamlined procedures for different acquisition types (e.g., orders, commercial products and services), establishing criteria for high-risk contracts, and ensuring small business opportunities are considered. • <u>Updated</u>: Section 7.104, “General Procedures”, is updated to highlight that early planning can create opportunities to structure the procurement approach in a way that promotes competition and innovation. <ul style="list-style-type: none"> ○ Practitioners should review the FAR Companion for best practices for innovative acquisition planning techniques. • <u>Updated</u>: Section 7.107, “Additional Requirements for Acquisitions Involving Consolidation, Bundling, or Substantial Bundling”, is updated to streamline and standardize the analysis, determination, and notification

	<p>requirements – there are no longer separate requirements for each, with the goal of ensuring this important step in the acquisition process is understood by the workforce.</p> <ul style="list-style-type: none"> ○ 7.107-1(a) retains the requirement for market research before conducting an acquisition that consolidates or bundles requirements. ● Updated: Section 7.108, “Additional Requirements for Teleworking”, is updated to reflect modern terminology and simplified language. For example, the term “telecommuting” has been updated to “teleworking”. ● Updated: Section 7.403, formerly titled "General Services Administration Assistance and OMB Guidance," has been retitled "OMB Guidance". Paragraphs (a) and (b) of the former section, which described the types of assistance available from GSA, have been removed. The content of the former paragraph (c), which provides references to relevant OMB circulars, has been retained and updated with new hyperlinks. The removal of the GSA assistance information streamlines the text by deleting content that is informational rather than regulatory. The process agencies use to perform a lease-versus-purchase analysis remains intact in clause 52.207-5. ● Retained: Subpart 7.5, “Inherently Governmental Functions”, is retained and revised for clarity and readability, primarily through plain-language edits and structural reorganization. ● Retained clauses and provisions, with no changes in text: <ul style="list-style-type: none"> ○ 52.207-4 Economic Purchase Quantity—Supplies ○ 52.207-5 Option To Purchase Equipment ○ 52.207-6 Solicitation of Offers from Small Business Concerns and Small Business Teaming Arrangements or Joint Ventures (Multiple-Award Contracts)
Removed	<ul style="list-style-type: none"> ● Section 7.105, “Contents of Written Acquisition Plans” is removed and marked “Reserved.” Relevant content will be reflected in the FAR Companion. ● Section 7.200, “Scope of Subpart” regarding economic quantities of purchases, has been deleted and marked “Reserved” as it is unnecessary. ● Section 7.204, “Responsibilities of Contracting Officers” has been deleted as the content is covered by FAR 52.207-4. ● Subpart 7.3, “Contractor Versus Government Performance”, and its underlying sections have been deleted and marked “Reserved” as Congress has consistently placed a statutory hold on A-76 competitions since 2008. ● The following clause and provisions are removed: <ul style="list-style-type: none"> ○ 52.207-1 Notice of Standard Competition ○ 52.207-2 Notice of Streamlined Competition ○ 52.207-3 Right of First Refusal of Employment

This table is not an exhaustive list

4. Instructions:

- The PBGC acquisition workforce shall follow the RFO Part 7 model deviation text instead of FAR Part 7 as codified at 48 CFR Chapter 1. The Council’s RFO Part 7 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.