

MKU-DEV-2025-30

**MEMORANDUM FOR MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION (UDALL FOUNDATION)
CONTRACTING ACTIVITIES**

DATE: September 15, 2025

SUBJECT: Class Deviations for FAR Part 7 in support of Executive Order 14275, *Restoring Common Sense to Federal Procurement*

FROM: David P. Brown, Executive Director

1. **Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 7 for purposes of implementing the Federal Acquisition Regulatory Council's ("the Council's" or "RFO") model deviation text to FAR Part 7.
2. **Background.** On April 15, 2025, President Trump signed Executive Order (E.O.) 14275, "Restoring Common Sense to Federal Procurement" to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of E.O. 14192, "Unleashing Prosperity Through Deregulation," signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people. E.O. 14275 orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies, to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released Memorandum M-25-26, "Overhauling the Federal Acquisition Regulation," that directs all agencies to "Generally issue individual or class deviations to implement the FAR Council's deregulated coverage within 30 days after the Council releases its model deviation text[and] Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov."

Also on May 2, 2025, the Acting Administrator for Federal Procurement Policy at OMB released a Memorandum, "Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation." This Memorandum advises that agencies using the RFO model class deviation text do not need to further coordinate with the Council; class deviations that differ from the RFO model text require Council approval unless the difference is necessary to address agency-specific statutory direction.

On September 4, 2025, the FAR Council issued completed revisions for FAR Part 7, Acquisition Planning, and FAR Part 52 provisions and clauses. The text has been 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 and executive requirements retained in the RFO FAR Part 7 model deviation include, but are not 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
New/Retained/Updated	• <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: ○ Acquisition of commercial products or services ○ Full and open competition ○ Selection of appropriate contract type ○ Use of existing contracts

	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. • <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. ○ 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 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. ○ 7.107-1(a) retains the requirement for market research before conducting an acquisition that consolidates or bundles requirements. • <u>Updated</u>: 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.” • <u>Updated</u>: 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. • <u>Retained</u>: Subpart 7.5, “Inherently Governmental Functions,” is retained and revised for clarity and readability, primarily through plain-language edits and structural reorganization. • <u>Retained</u> clauses and provisions, with no changes in text: ○ 52.207-4 Economic Purchase Quantity—Supplies ○ 52.207-5 Option To Purchase Equipment
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	○ 52.207-6 Solicitation of Offers from Small Business Concerns and Small Business Teaming Arrangements or Joint Ventures (Multiple-Award Contracts).
Removed	• 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: ○ 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.

3. **Determination.** To fully comply with E.O. 14275, OMB implementation guidance, and direction related to use of model deviations, and the model deviations for revised FAR Part 7, the Udall Foundation shall follow the RFO Part 7 model deviation text instead of FAR Part 7 as codified at 48 CFR Chapter 7. The FAR Council’s RFO Part 7 model deviation text is available at Acquisition.gov, under the “FAR Overhaul” link. This deviation applies to all solicitations and new contracts as of the date of the Memorandum. This deviation does not apply to contracts signed and executed on or before the date of this Memorandum.
4. **Instructions.** The Udall Foundation acquisition workforce shall follow the RFO Part 7 model deviation text instead of FAR Part 7 as codified at 48 CFR Chapter 7 and the RFO Part 52 model deviation text of FAR Part 52 as codified at 48 CFR Chapter 52. The Council’s RFO Parts 48 and 52 model deviation text are available at Acquisition.gov, under the “FAR Overhaul” link, and are incorporated into this class deviation.

For new solicitations or contracts, when using any provisions or clauses that have been revised, the Udall Foundation acquisition workforce shall use the RFO model deviation language at RFO FAR part 52.

For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.

The Udall Foundation acquisition workforce shall review templates and related standard operating procedures to align with this deviation and remove unnecessary processes or steps.

A copy of this Class Deviation will be provided to the FAR Secretariat at gsaregsec@gsa.gov.

5. **Applicability.** This class deviation applies to all Udall Foundation procurements.
6. **Authority.** This class deviation is issued under the authority of E.O. 14275, OMB Memo M-25-26, and 48 CFR 1.4, and RFO FAR 1.304.
7. **Effective Date.** This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.

Points of Contact. Questions regarding this class deviation may be directed to the Udall Foundation General Counsel, Gwendolyn Franks, at franks@udall.gov.