



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 13, 2025

From: Jonathan C. Hamlet
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Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

To: MCC Contracts and Grants Management Division Staff

Subject: Class Deviation to Implement the FAR Revisions Parts 12 *Acquisition of Commercial Products and Commercial Services* and 52 *Solicitation Provisions and Contract Clauses* Issued on August 14, 2025

Findings

On April 15, 2025, President Trump signed the [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 the [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.

The E.O. 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 its memo 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. Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov.”

On August 14, 2025, the FAR Council issued completed revisions for [FAR Part 12](#) and [FAR Part 52](#) clause. The RFO FAR Part 12 model deviation text has been fundamentally re-engineered in its structure, scope, and operational mechanics to make federal buying faster, simpler, and more

aligned with commercial practices. These changes reflect an effort to create a user-centric part that champions flexibility, and innovation when acquiring commercial products and services.

Statutory requirements retained in the RFO FAR Part 12 model deviation include, but are not limited to, the following:

- 10 U.S.C. §§ 3451 et seq, Procurement of Commercial Products and Commercial Services
- 10 U.S.C. § 3453 and 41 U.S.C. § 3307, Preference for Commercial Products and Commercial Services
- 10 U.S.C. § 3771 and 41 U.S.C. § 2302, Rights in Technical Data
- 10 U.S.C. § 3805 and 41 U.S.C. § 4505, Payments for Commercial Products and Commercial Services
- 41 U.S.C. § 103, Commercial Product
- 41 U.S.C. § 103a, Commercial Service
- 41 U.S.C. § 104, Commercially Available Off-the-Shelf Item
- 41 U.S.C. § 1708, Procurement Notice
- Pub. L. 103-355, Federal Acquisition Streamlining Act of 1994 (FASA)
- Pub. L. 105-261 Sec 803, Defense Commercial Pricing Management Improvement

Other key changes include:

Retained:

- The revised part structure consolidates all relevant guidance into process-oriented subparts:
 - Subpart 12.1 – Presolicitation
 - Subpart 12.2 - Solicitation, Evaluation, and Award
 - Subpart 12.3 – Postaward
 - Subpart 12.4 - Micro-purchases
- Definitions related to this part, such as “Commercially Available Off-the-Shelf Item or COTS Item” and “Nondevelopmental Item” still remain at FAR 2.101, with some edits.
- The definition of “Commercial service” at FAR 2.101 clarifies that construction is included within the definition.
- Section 12.000, “Scope”, now clarifies that simplified procedures authorized by statute are implemented in Part 12. This includes using simplified procedures for acquisitions up to \$7.5 million (or \$15 million to support responses to emergencies or major disasters, or other specified situations).
- Tables are added that help readers find information easier:
 - Table 12-1, Authority citations for restricting competition.
 - Table 12-2, Provisions to include as prescribed
 - Table 12-3, Clauses to include as prescribed
 - Table 12-4, Provisions and clauses to include as needed.
- New section 12.101, “Preference”, retains the preference for commercial procurement.
- New section 12.104, “Contract Type”, retains the preference to utilize fixed-price contracts to the maximum extent practicable.
- Labor-hour or Time-and-Material contracts may still be used for commercial services, but a determination and findings must be executed by the contracting officer.

- New section 12.201-1, “Simplified Procedures”, clarifies that for acquisitions valued up to \$7.5 million, the agency use a request for quotations (RFQ) followed by a purchase order (vs. RFP/ Part 15 procedures for acquisitions over \$7.5M).
- New section 12.201-1(b) provides clear guidance as to the legal effect of quotations.
- New section 12.201-1(d) encourages agencies to use additional innovative approaches to the maximum extent practicable when soliciting quotations and issuing purchase orders.
- New section 12.201-2, “Other Procedures”, provides clear instruction that for acquisitions valued at greater than \$7.5 million, agencies are to use the procedures in the new subpart 12.2 in conjunction with the procedures in Part 15 for requests for proposals (RFPs) or Part 14 for invitations for bids (IFBs), as appropriate. Use of an RFP is the preferred method because it includes consideration of past performance when evaluating offers (see the new 12.203(a)(2)).
- The deviated text clarifies that construction can now be procured commercially. When using the procedures in this subpart to acquire construction, comply with the requirements in Part 36 for construction contracts and subpart 22.4 on labor standards.
- The contracting officer has broad discretion in establishing how quotations will be evaluated. For example, the contracting officer may perform a comparative evaluation of quotations.
- The deviated text emphasizes that evaluation procedures are not subject to Part 15 or 14. Contracting officers are not required to have evaluation plans, score quotations, or establish a competitive range before communicating with quoters or soliciting revised quotations (see 12.203(c)(2)).
- The part is revised to clarify that if commercial products or commercial services that meet agency needs are available from any priority source identified in Part 8, including existing contracts awarded for Governmentwide use (e.g., the Federal Supply Schedules and Governmentwide acquisition contracts), agencies must procure the commercial products or commercial services from that source. If not available, agencies use the streamlined procedures for solicitation, evaluation, and award in the new subpart 12.2.
- Timely quotations and offers. The deviated text instructs contracting officers to exercise good business judgment in deciding whether to accept a quotation or offer received after the due date or time.
- The definition of and requirements for subcontracts are retained, and will be moved to Part 44.
- The following provisions and clauses are retained with plain language and other edits.
 - 52.212-1, Instructions to Offerors-Commercial Products and Commercial Services
 - 52.212-2, Evaluation-Commercial Products and Commercial Services
 - 52.212-4, Terms and Conditions-Commercial Products and Commercial Services

Removed:

- A total of 46 clauses and provisions from other FAR parts are removed as they are no longer required for commercial contracts. This change reflects an approximate 30% reduction in the number of clauses and provisions that are applicable to commercial contracts.

- Further, the following clause and provision are removed as they are unnecessary. The majority of the references are no longer required, and any required references are retained through other means:
 - 52.212-3, Offeror Representations and Certifications Commercial Products and Commercial Services
 - 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Products and Commercial Services

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 12 and 52, MCC shall follow the [RFO Part 12 model deviation text](#) instead of FAR Part 12 as codified at 48 CFR Chapter 12 and replace the relevant [RFO Part 52 model deviation clause](#) instead of the FAR Part 52 clause as codified at 48 CFR Chapter 52. The FAR Council's RFO Parts 12 and 52 model deviation texts are available at [Acquisition.gov](#), under the "[FAR Overhaul](#)" link.

This deviation applies to all solicitations and new contracts as of November 13, 2025. This deviation does not apply to contracts signed and executed on or before November 12, 2025

Approval

In accordance with RFO FAR 1.304 *Class deviations*, MCC Contracts Operating Manual (COM) 1.305-3 *Contracts and Grants Management Division MD/SPE*, and the OMB memo M-25-26, the RFO Part 12 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 13, 2025 for use by all MCC Contracting Officers until final implementation of the FAR update or rescission of this Memo by the SPE. Additional instructions related to this Memo may be issued by the Senior Procurement Executive, Deputy Managing Director, and the Supervisory Procurement Analyst of the MCC CGM Division on an *ad hoc* basis.

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Attachments

OMB Memo M-25-26 *Overhauling the Federal Acquisition Regulation*