



Millennium Challenge Corporation
Contracts and Grants Management Division
1099 14th Street NW | Suite 700 | Washington, DC 20005

MEMORANDUM

Date: November 14, 2025

From: Jonathan C. Hamlet
Managing Director & Senior Procurement Executive
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 22 *Application of Labor Laws to Government Acquisitions* and 52 *Solicitation Provisions and Contract Clauses* Issued on September 30, 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 September 30, 2025, the FAR Council issued completed revisions for [FAR Part 22](#) and [FAR Part 52](#) clause. The RFO FAR Part 22 model deviation text has been restructured to align with the stages of the acquisition lifecycle. This reorganization will help acquisition teams apply the labor

requirements during the correct stage of the procurement. The part is now shorter, with many sections combined to remove redundancy and duplicative language.

Importantly, the fundamental protections for workers remain the same. For example, contractors are still required to:

- Pay the correct prevailing wages for construction and service work
- Provide safe and sanitary working conditions
- Ensure equal opportunity for veterans
- Pay overtime correctly

Subpart 22.11, “Professional Employee Compensation” was not based on statute. This part, and the provision in 52.222-46, “Evaluation of Compensations for Professional Employees” has been removed.

The model deviation text for this part does not cover the rescission of Executive Order (E.O.) 14026, addressing minimum wage for federal contractors, made by E.O. 14236. For information on the rescission of E.O. 14026, see the Department of Labor's website at <https://www.dol.gov/agencies/whd/government-contracts/eo14026>.

Statutory requirements retained in the RFO FAR Part 22 model deviation include, but are not limited to, the following:

- 8 U.S.C. § 1324a, Unlawful Employment of Aliens
- 18 U.S.C. § 874, Kickbacks from Public Works Employees
- 22 U.S.C. §§ 7101 et seq, Trafficking Victims Protection
- 29 U.S.C. §§ 201 et seq, Fair Labor Standards
- 29 U.S.C. § 793, Employment Under Federal Contracts
- 38 U.S.C. § 4212, Veterans’ Employment Emphasis Under Federal Contracts
- 40 U.S.C. §§ 3141 et seq, Wage Rate Requirements
- 40 U.S.C. §§ 3701 et seq, Contract Work Hours and Safety Standards
- 41 U.S.C. § 6502, Required Contract Terms
- 41 U.S.C. §§ 6701 et seq, Service Contract Labor Standards
- E.O. 11755, Relating to Prison Labor, as amended by E.O.s 12608 and 12943
- E.O. 13126, Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labor
- E.O. 13496, Notification of Employee Rights Under Federal Labor Laws
- E.O. 13706, Establishing Paid Sick Leave for Federal Contractors
- E.O. 14063, Use of Project Labor Agreements for Federal Construction Projects

Other key changes include:

Retained:

- Subpart 22.7 remains reserved.
- Subpart 22.12 remains reserved.
- Subpart 22.20 remains reserved.
- Numerous provisions and clauses are retained (or remain reserved) with no changes. For readability of this document, all retained provisions and clauses are not listed.

Updated:

- Section 22.001, “Definitions,” is updated to centralize definitions that were previously scattered throughout the part, make conforming edits to existing definitions to reflect the new part structure, and make other updates to modernize or streamline the definitions as appropriate.
 - The definition of “Administrator” is revised to remove the full mailing address.
 - The definition of “Normal workweek” is relocated from the former subsection 22.103-1.
 - The definition of “Secretary” is relocated from section 22.1601 in order to standardize the term’s usage throughout the part.
 - The definition of “Service contract” is updated to align the citations with the changes made to the part.
- All subparts, unless otherwise noted, are updated and restructured. Content from former sections has been consolidated and relocated into new sections that reflect the acquisition lifecycle (e.g., Presolicitation, Evaluation and Award, Postaward).
- Subsection 22.201-1, “General,” streamlines the detailed explanatory text from Executive Order 11755, which was quoted at length in the former 22.201. The section now simply states that the Executive Order “does not prohibit the contractor... from employing certain persons as stated in paragraph (b) of the clause at 52.222-3, Convict Labor.” This change streamlines the regulation by relying on the text of the contract clause itself to provide the specific requirements, rather than repeating them in the FAR text.
- Section 22.401, “Definitions,” revises and harmonizes the definition of “Laborers or mechanics” with the definition used in Subpart 22.3. The updated definition in this section explicitly includes “firefighters, fireguards, and workmen who perform services in connection with dredging or rock excavation in rivers or harbors” and excludes “any employee employed as a seaman.” This creates greater consistency across related subparts.
- Paragraph (d) under subsection 22.402-3, “Construction Wage Rate Requirements Statute” retains the direction (previously at 22.404-2(c)(5)) for contracting officers to seek assistance from the Administrator of the Wage and Hour Division in cases of doubt as to the proper application of wage rate schedules. The detailed guidance for selecting the proper schedule of wage rates (e.g., Building, Residential, Highway, Heavy) has been removed.
- Section 22.1303, “Evaluation and Award,” under subpart 22.13, “Equal Opportunity for Veterans,” removes the option to contact VETS-4212 customer support (previously at 22.1304(b)) to verify if a proposed contractor is current with its VETS-4212 Report. Now, contracting officers must query the VETS-4212 database.
- The following provisions and clauses are updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content:
 - 52.222-4 (Clause), Contract Work Hours and Safety Standards—Overtime Compensation
 - 52.222-6 (Clause), Construction Wage Rate Requirements
 - 52.222-11 (Clause), Subcontracts (Labor Standards)
 - 52.222-19 (Clause), Child Labor—Cooperation with Authorities and Remedies
 - 52.222-20 (Clause), Contracts for Materials, Supplies, Articles, and Equipment
 - 52.222-35 (Clause), Equal Opportunity for Veterans
 - 52.222-36 (Clause), Equal Opportunity for Workers with Disabilities
 - 52.222-37 (Clause), Employment Reports on Veterans

- 52.222-48 (Provision), Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Certification
- Alternate I to 52.222-50 (Clause), Combating Trafficking in Persons
- 52.222-52 (Provision), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Certification
- 52.222-53 (Clause), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements
- 52.222-54 (Clause), Employment Eligibility Verification
- The FAR Companion is expected to include best practices and guidance in the following:
 - Definitions not included in the deviated text
 - Department of Labor regulations involving construction
 - Construction Wage Rate Requirements statute wage determinations
 - Types of wage determinations
 - Wage determinations, general requirements
 - Notification of improper wage determination before award
 - Examinations of payrolls and payroll statements
 - Disposition of disputes concerning construction contract labor standards enforcement
 - Requirement to obtain wage determinations
 - Administrative limitations, variations, tolerances, and exemptions
 - Examples of contracts covered by the Service Contract Labor Standards statute
 - Repair distinguished from remanufacturing of equipment
 - Department of Labor responsibilities and regulations
 - Obtaining wage determinations
 - Successorship with incumbent contractor collective bargaining agreement
 - All possible places of performance not identified

Removed:

- The definitions of “Wage and Hour Division” and “Wage Determination” formerly at section 22.1001, are removed and expected to be included in the FAR Companion.
- Subpart 22.8, “Equal Employment Opportunity,” is removed and marked reserved to comply with E.O. 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity.
- Subpart 22.11, “Professional Employee Compensation” is removed and marked reserved. This subpart was not based on statute.
- The following provisions and clauses are removed and marked reserved to comply with E.O. 14173 or because they are not required by statute or essential to sound procurement:
 - 52.222-21 (Clause), Prohibition of segregated facilities
 - 52.222-22 (Provision), Previous Contracts and Compliance Reports
 - 52.222-23 (Provision), Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity for Construction
 - 52.222-24 (Provision), Preaward On-Site Equal Opportunity Compliance Evaluation
 - 52.222-25 (Provision), Affirmative Action Compliance
 - 52.222-26 (Clause), Equal Opportunity
 - 52.222-27 (Clause), Affirmative Action Compliance Requirements for Construction
 - 52.222-29 (Clause), Notification of Visa Denial

- 52.222-38 (Provision), Compliance with Veterans' Employment Reporting Requirements
- 52.222-46 (Provision), Evaluation of Compensation for Professional Employees

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 22 and 52, MCC shall follow the [RFO Part 22 model deviation text](#) instead of FAR Part 22 as codified at 48 CFR Chapter 22 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 22 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 14, 2025. This deviation does not apply to contracts signed and executed on or before November 13, 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 22 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 14, 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.

Jonathan C. Hamlet
Managing Director & Senior Procurement Executive
Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

Attachments

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