CLASS DEVIATION FINDINGS AND DETERMINATION FEDERAL ACQUISITION REGULATION (FAR) PART 7 – ACQUISITION PLANNING

Findings

- 1. The objective of this class deviation is to implement the Federal Acquisition Regulatory Council's model deviation text to the Federal Acquisition Regulation (FAR) Part 7 Acquisition Planning, and applicable sections of FAR Part 52 Solicitation Provisions and Contract Clauses.
- 2. On April 15, 2025, President Donald J. Trump issued Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement*. Section 2 of the E.O. established 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."
- 3. On May 2, 2025, the Office of Management and Budget (OMB) issued memorandum M-25-26, *Overhauling the Federal Acquisition Regulation*, initiating a major overhaul of the FAR (Revolutionary FAR Overhaul, or "RFO"). The memorandum tasked the Office of Federal Procurement Policy (OFPP) with leading the RFO, in coordination with the other members of the Federal Acquisition Regulatory Council i.e., the General Services Administration (GSA), the Department of Defense (DOD), and the National Aeronautics and Space Administration (NASA) and federal buying agencies. The goal is refocusing the FAR on its statutory roots. To that end, 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 - Remove duplicative or outdated language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 language for the new FAR framework
 - Retain language necessary for governmentwide acquisition standards

The OMB memorandum M-25-26 established a two phased approach to implementing enterprise deregulation as follows: Phase one, FAR Council deviation guidance, and phase two, formal rulemaking. Phase one involves the FAR Council issuing guidance on a rolling basis with clear, plain language model deviation text organized by FAR part. The goal is streamlining the regulation by aligning it more closely to its statutory base. According to the memorandum, agencies should adopt this model deviation text within 30 days by issuing either individual or class deviations.

4. On May 2, 2025, the FAR Council issued further implementing guidance in a memorandum titled *Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation*. Pursuant to the FAR Council's memorandum, "agencies that adopt the Council's RFO class deviation text without change or require different text only to address statutory direction unique to the agency, do not need to coordinate with the Council."

5. On September 4, 2025, the FAR Council issued model deviation text for FAR Part 7 and corresponding clauses at FAR Part 52. 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 deviation to Part 7 also includes 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. There is no longer a requirement for acquisition plans with specific elements. By emphasizing early engagement, the deviation 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. §§ 3301-3312, 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

Sections that are new/retained/updated include the following:

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 requires that agencies establish procedures for determining whether a written or oral plan is needed and lists high-level outcomes that plans must promote:

- Acquisition of commercial products or services
- Full and open competition
- Selection of appropriate contract type
- Use of existing contracts

<u>Note:</u> 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.

o 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.

Retained clauses and provisions, with no changes in text:

- 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 sections include:

- 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 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

Determination

In accordance with RFO 1.304 *Class deviations* and Department of Energy Acquisition Regulation (DEAR) 901.404 *Class deviations*, to fully comply with the requirement of E.O. 14275 and the revised FAR Parts 7, it is hereby determined that a class deviation is appropriate pursuant to OMB memorandum M-25-26 (Attachment 1) and the FAR Council memorandum (Attachment 2) issued on May 2, 2025, using the RFO model deviation text for Part 7 and any applicable sections of Part 52 (Attachment 3). Specifically, DOE/NNSA will use the RFO model deviation text for Part 7 in lieu of 48 Code of Federal Regulations (CFR) Part 7, and the RFO model deviation text for the applicable sections of Part 52 in lieu of 48 CFR 52.207-1 through 52.207-6. Once approved, the Department will share the deviation widely among its workforce to ensure full awareness of and compliance with the revisions to the affected regulations. This class deviation is effective on November 3, 2025, and will remain effective until cancelled or incorporated into the FAR.

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Attachments:

OMB Memorandum M-25-26, Overhauling the Federal Acquisition Regulation FAR Council Memorandum, Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation

RFO Parts 7 and 52 Model Deviation Text