



July 7, 2025

Office of Management and Budget  
Office of Information and Regulatory Affairs  
725 17th Street NW,  
Washington, DC 20503

**Re: PSC Comments Regarding FAR Part 10 Model Deviation**

On behalf of the Professional Services Council (PSC), I am pleased to submit comments regarding the Federal Acquisition Regulation (FAR) Council's FAR Part 10 Model Deviation (the Model Deviation), as published on the Revolutionary FAR Overhaul (RFO) website (<https://www.acquisition.gov/far-overhaul>) on May 22, 2025.<sup>1</sup> With the goal of facilitating faster acquisitions, greater competition, and better results for federal agencies and the U.S. taxpayer, the overall RFO effort is a much-anticipated opportunity to revise and streamline the FAR. FAR Part 10—which prescribes policies and procedures for conducting market research regarding acquiring, distributing, and supporting supplies and services for the federal government—play a critical role in improving acquisitions, competition, and results.

As you may know, PSC is an industry association with ~400 member companies—small, mid-sized, and large—that provide technology, professional, and other services to all federal agencies. These companies and their workers throughout America are committed to the fulfillment of U.S. Government missions. PSC supports our members and their federal customers by advocating for best business practices within and outside of the FAR to help the government be a “smarter customer and better buyer” and to improve contract outcomes through common sense, streamlined acquisition policies and practices.

With that in mind, PSC also supports the government's efforts to streamline the FAR, especially when such efforts promote flexibility, innovation, and competition in the federal contracting marketplace for contractors of all sizes. PSC's comments below aim to support development of an effective RFO that “creates a more effective, agile and efficient procurement system by removing barriers and unnecessary regulations and allowing for expansion of the industrial base”<sup>2</sup> and that by extension also reduces burdensome and/or unnecessarily duplicative compliance requirements.

Regarding FAR Part 10 in particular, PSC solicited member companies' insights and feedback on the subject Model Deviation. The following comments reflect responses from both our members, as well as the PSC staff and are, broadly speaking, focused on:

- Ensuring retention of appropriate government mechanisms for small business competition;
- Ensuring that Buying Guides include appropriate oversight and performance mechanisms, market research timelines, and other elements that align with interconnected FAR parts; and

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<sup>1</sup> FAR Part Deviation Guidance: Part 10 – Market Research, Acquisition.gov, May 22, 2025.

<sup>2</sup> Executive Order (EO) 14275: Restoring Common Sense to Federal Procurement, April 15, 2025.

- Revising market research priorities to include non-developmental item (NDI) consideration for comparison with commercial items and services in terms of reasonability, mission, and cost-effectiveness.

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***Ensuring retention of appropriate government mechanisms for small business competition***

PSC notes that the FAR Part 10 Model Deviation removes explicit references to small business market research considerations and outlines a five-point priority structure that specifically emphasizes use of governmentwide contract vehicles and commercial products and services. Some PSC member companies expressed strong concern that such steps do not support the government’s approach for offering contract opportunities and fair competition to small businesses and new entrants to the federal market. As written, this Model Deviation may exacerbate a decline of small business participation in the federal market (i.e., between 2010 and 2024, the number of small businesses winning contracts has decreased 50 percent).<sup>3</sup>

Of note, since 2021, PSC has monitored a perhaps-unanticipated trend vis-à-vis category management: in some cases, category management shifts dollars and projects already secured by small businesses to big, best-in-class vehicles (i.e., through multiple award contracts and contract consolidation) that are often cost-prohibitive for stand-alone small businesses. Winning higher-tier, often consolidated contracts serving multiple agencies requires more staff, greater upfront costs, and additional certifications—which can prove a challenge to small businesses. This trend may be contributing to the decline of the number of small business prime contractors.<sup>4</sup>

The government may plan to provide contracting officers with flexibility to set aside appropriate work for small businesses. However, without a market research requirement to determine small business set-asides, the resulting competition may emphasize other-than-small businesses with advanced capabilities over small businesses, and teaming structures might emphasize larger small businesses at the high-end of their revenue size standards, rendering stand-alone smaller businesses and new entrants unable to compete in the governmentwide contract preference approach.

**PSC Recommends:** The FAR Council should ensure that small business participation and early engagement are not diminished under the new structure by detailing what mechanisms, cross-references, or supplementary guidance will be provided to ensure continuity and compliance with statutory obligations under FAR Parts 7 and 19.

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***Ensuring that Buying Guides include appropriate oversight and performance mechanisms, market research timelines, and other elements that align with interconnected FAR parts***

While PSC supports reasonable reduction of prescriptive methods for conducting market research, the Model Deviation does not appear to address adequately agency needs for consistent, effective market research practices (e.g., factors such as acquisition size, complexity, risk). While the government seeks to improve flexibility and reduce complexity, this reduction—when combined

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<sup>3</sup> [Under the Microscope: Reviewing the SBA’s Small Business Size Standards, Hearing](#), U.S. House Committee on Small Business, February 6, 2024.

<sup>4</sup> [Growing the Small Business Supplier Base in Government Contracting](#), Hearing, House Committee on Small Business, (October 13, 2021).

with simplified language around documenting market research results—may result in greater opacity that could increase confusion.

**PSC Recommends:** Prior to the RFO Phase II rulemaking, the government should provide supplemental strategic acquisition guidance in its Buying Guides that establish standardized training, oversight mechanisms, and performance metrics to ensure alignment with statutory objectives and best practices. Such guidance should also provide clarity on documentation standards based on acquisition size, complexity, and risk.

The FAR Council could also improve on current practices by including in any Buying Guide a timeline of the key market research milestones associated with any potential procurement to include, but not be limited to: the approximate date of when the Sources Sought / Request for Information market research submissions will be completed; the approximate date by which the compiled market research data will be sent to agencies seeking the research; details on what elements the agency seeking the market research will analyze and assess; and the approximate date by when the agency’s market research process has been completed.

Additionally, the Model Deviation retained Clause 52.210-1 for use in non-commercial acquisitions over \$6 million. Given the shift in market research responsibilities, the FAR Council should issue updated prescription guidance for this clause to ensure it is used appropriately and in accordance with 10 U.S.C. 3453(c).

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**Revising market research priorities to include non-developmental item (NDI) consideration for comparison with commercial items and services in terms of reasonability, mission, and cost-effectiveness**

Regarding the Model Deviation’s commercial solutions framework, the government may inconsistently apply a preference for commercial solutions to avoid high development costs, rather than include NDIs or capabilities already developed and produced for agency missions. While PSC recognizes the directions within Executive Order (EO) 14271, *Ensuring Commercial, Cost-Effective Solutions in Federal Contracts*, commercial solutions may not prove most relevant or cost-effective for government missions over proven NDIs or existing solutions.

In fact, the government seems to hold no preference for NDIs under the recently published FAR Part 11: Agency Needs Model Deviation and states that acquisition officials, to the maximum extent practicable, “define requirements in terms that enable and encourage offerors to supply commercial products or commercial services or, to the extent that commercial products suitable to meet the agency’s needs are not available, nondevelopmental items, in response to the agency solicitations”<sup>5</sup> (emphasis added). Therefore, the prioritization as written is inconsistent vis-à-vis needed solutions that may reasonably be simply better options for mission outcomes than commercial solutions.

As written in the Model Deviation, the current “preference” seems to presume that commercial products can meet Government requirements for a lower cost and/or faster schedule, which is not always true. Commercial items, particularly when modifications are required, are not required to

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<sup>5</sup> [FAR Part Deviation Guidance: FAR Part 11 – Agency Needs](#), Acquisition.gov. June 18, 2025.

undergo a lifecycle cost and schedule assessment and directly compared to the life-cycle cost/schedule of non-developmental or purpose-built items. Instituting a priority for commercial items and governmentwide contracts without inclusion of supplementary market research procedures for such assessments could result in a bias against purpose-built products and non-commercial companies—and ultimately drive potential increased cost to the taxpayers and/or delays in meeting civilian and warfighter needs.

**PSC Recommends:** The government should revise market research priorities to reflect above-mentioned concerns—i.e., include non-developmental item consideration for comparison with commercial items and services in terms of reasonability, mission, and cost-effectiveness. In any Buying Guide, the government should establish a lifecycle cost and schedule assessment for commercial items.

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PSC welcomes additional discussion with the FAR Council on any of these matters. If you have questions or concerns about these comments and recommendations, please contact PSC's Director for Procurement Policy, Sebastian Herrick, at [herrick@pscouncil.org](mailto:herrick@pscouncil.org) or (703) 875-8059. Thank you for your consideration.

Sincerely,



Stephanie Sanok Kostro  
President