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New Executive Order Will Consolidate Federal Agency Procurement Functions in the General Services Administration

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On March 20, 2025, President Donald Trump issued an executive order requiring federal agencies to consolidate much of their existing procurement responsibilities in the General Services Administration (GSA). The new order, "Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement," requires the heads of federal agencies to work with the administrator of GSA and the director of the Office of Management and Budget (OMB) to transfer to GSA the responsibility for procuring "common goods and services," which the order defines with reference to the following 10 government-wide categories established by the government's Category Management Leadership Council:

- Facilities and construction
- Professional services
- Information technology
- Medical
- Transportation and logistics services
- Industrial products and services
- Security and protection
- Human capital
- Office management
- Travel

The order establishes a four-step schedule for its implementation:

- Within **60 days** of the date of the order, agency heads, in consultation with the agency's senior procurement officials, must submit to the administrator of GSA proposals for GSA to "conduct domestic procurement with respect to common goods and services for the agency, where permitted by law."

- Within **90 days** of the date of the order, the administrator of GSA must submit to the director of OMB a "comprehensive plan" for GSA "to procure common goods and services across the domestic components of the Government, where permitted by law."

- Within **30 days** of the date of the order, the director of OMB must designate the administrator of GSA as the executive agent for all government-wide acquisition contracts for information technology. The administrator then, in consultation with the director of OMB, "must defer or decline the executive agent designation for Government-wide acquisition contracts for information technology when necessary to ensure continuity of service or as otherwise appropriate." The administrator of GSA also must "on an ongoing basis and consistent with applicable law, rationalize Government-wide indefinite delivery contract vehicles for information technology for agencies across the Government, including as part of identifying and eliminating contract duplication, redundancy, and other inefficiencies."

- Within **14 days** of the date of the order, the director of OMB must issue a memorandum to agencies implementing the third bullet above.

For contractors that sell products and services in any of the 10 categories listed above, the new order raises some important questions:

1. **Will the consolidation of procurement functions create more or result in fewer procurement**

opportunities?

The new order focuses on procurement functions – specifically, which agency (or agencies) should have principal responsibility for purchasing goods and services that most or all agencies use. The order doesn't address individual agency needs for such products and services or the dollars that are, or ought to be, spent acquiring such products and services. Given the stated purpose of the order, however, and the accompanying fact sheet's reference to unnecessary duplication of common goods and services, including software licenses, across agencies, contractors might reasonably expect a reduction in the amounts of such products and services that the federal government as a whole acquires.

2. **What will happen to small business set-asides for the purchase of common goods and services?**

The federal government has long promoted a policy of reserving significant numbers of contracts – many of which have been to acquire these common goods and services – for award to small businesses. If consolidating procurement functions in the GSA results in fewer government purchases overall but larger individual contract values, that could increase the difficulty for small businesses in the government market. It seems unlikely that the new order intends to create such a result – and, if it does, it could run afoul of existing small business statutes and regulations. But the unintended consequences of the new order must be monitored by both the Trump administration and contractors.

3. **When can we expect to see real changes in the process for purchasing common goods and services?**

Real changes to the contracting process resulting from this order likely won't be visible until late 2025 at the earliest. The order allows 90 days for GSA to create and submit to OMB a "comprehensive plan" for GSA to procure common goods and services "across the domestic components of the Government, where permitted by law." That means the **plan** for making any changes likely won't be submitted until on or around June 18, 2025. It seems reasonable to expect that the initial plan will require at least some minor modifications, which could involve further coordination with individual agencies and submission of a revised plan to OMB for further review. Assuming a finalized plan is just the first step toward consolidating individual agency requirements and preparing for future acquisitions, it seems unlikely that we'll see meaningful results of this consolidation effort before late this year at the earliest.

It might also be necessary for GSA to propose new regulations to implement one or more changes that result from the comprehensive plan. Any proposed rules would further extend the timeline for actual changes in procurement processes, and it likely would allow contractors and other interested parties to submit comments on any proposed new rules.

Cooley will closely monitor developments in this area and would be pleased to help contractors think through strategic implications of these coming changes for their government business.

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Key Contacts

David Fletcher **Washington, DC**	**dfletcher@cooley.com** **+1 202 728 7046**
Emily Mok Reston	emok@cooley.com

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