

## An Executive Order that Makes Sense (sort of)

On March 20, 2025, President Trump issued Executive Order No. 14240 titled “Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement” (the EO).<sup>1</sup> While less than perfectly written, it does seem to have the potential to increase efficiency among executive governmental agencies, by seeking to reinstitute the U.S. General Services Administration’s fundamental purpose and founding principle, of providing efficient and economical systems for procuring cross-agency services and goods. This is another in a series of EOs that has the potential to make fundamental changes to the federal procurement process. In fact, the EO states:

**Section 1. Policy.** The Federal Government spends approximately \$490 billion per year on Federal contracts for common goods and services — the types of goods and services purchased by nearly every executive department and agency (agencies) — making it the largest buyer of goods and services in the world. As a matter of sound management, these standardized procurement functions should be carried out in the most efficient and effective manner possible for the American taxpayer. The General Services Administration was established in 1949 through the Federal Property and Administrative Services Act, 40 U.S.C. 101 *et seq.*, to provide “an economical and efficient system” for the core procurement services for agencies (40 U.S.C. 101). It is time to return the General Services Administration to its original purpose, rather than continuing to have multiple agencies and agency subcomponents separately carry out these same functions in an uncoordinated and less economical fashion.

Consolidating domestic Federal procurement in the General Services Administration — the agency designed to conduct procurement — will eliminate waste and duplication, while enabling agencies to focus on their core mission of delivering the best possible services for the American people.

In order to effectuate this aspiration, the EO provides very little concrete guidance, except the following:

### 1. Some Key Definitions:

- a. The EO defines “common goods and services” as common government-wide categories defined by the Category Management Leadership Council lead by the Office of Management and Budget (OMB).
- b. It also recognizes “IDIQ/Indefinite Deliver Contract Vehicles” as agreements through which agencies can order goods or services over a period of time without up front quantities or schedule. IDIQ contracts have become a much wider used vehicle for the government over the past decade.

### 2. Procurement Consolidation:

- a. Within 60 days of the EO, agency heads (presumably all agency heads) are directed to submit to the GSA administrator proposals to have GSA “conduct domestic procurement with respect to common goods and services for the agency, where permitted by law.” EO Sec. 3(a).
- b. Within 90 days the GSA administrator is required to submit a “comprehensive plan to the Director of the OMB” for GSA to procure those common goods and services across governmental domestic components.
- c. Within 30 days of the EO, the director of the OMB “shall designate the [GSA] Administrator



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as the executive agent for all Government-wide acquisition contracts for information technology.” *Id.* at 3(c). The administrator is permitted to either defer or decline that executive agent designation for government-wide IT contracts “when necessary to ensure continuity of service or as otherwise appropriate.” It is not clear whether this designation is for future acquisitions or for existing and future ones. As such, there is the real possibility of inconsistency in service and impacts to contractors should they have existing contracts for which the contracting agency is changed to the GSA.

- i. The EO also requires the administrator to “on an ongoing basis and consistent with applicable law, rationalize Government-wide [IDIQ] contract vehicles for ...” IT for all government agencies. This extends to identifying and “eliminating contract duplication, redundancy, and other inefficiencies.” *Id.*
- ii. The OMB director is instructed to issue a memorandum implementing the procurement consolidation portions of the EO to all agencies within 14 days.

## **So What Does This Mean for Contractors and What Are Its Possible Impacts?**

Members of our group were aware that issuance of this EO was a possibility based on other recent executive orders and “scuttlebutt” and given the stated procurement policies of the current administration. It makes some sense to try to consolidate and streamline federal procurement where common goods and services are involved. The GSA does this with many “day today” sundries from copier and printer paper to automobiles to paper clips and services. Much of this is accomplished via the Federal Supply Service (FSS), where the GSA “pre-negotiates” common goods, software, and other commercial items from which any executive agency can then make purchases. Expanding these efforts to large-scale IT procurements, and presumably other types of procurement (which and what remain to be seen), is commendable and should have positive effects on both speed and cost.

That being said, concerns do exist. Firstly, GSA is in the process of changing its organization model from one of regions to a more centralized system, in which procurement is run predominantly out of its Washington, D.C., headquarters in lieu of its regional centers. While this may streamline the GSA processes, it will take time and it is probable that in the short-term as these revisions are made, efficiency and extended time frames for contracts will occur. This is also exacerbated by the fact that GSA has lost what has been reported as upwards of 20% of its staffing to the president’s early retirement efforts. How will GSA take on this additional burden of now overseeing contracts not just for itself, but for the large number of other agencies while both reorganizing and downsizing? How long will it take to put those expanded duties and systems into place? Only time will tell, but the possibility of reducing duplicative systems (in particular information technology systems) has the real potential benefit of saving significant costs, reducing infrastructure and allowing for more beneficial payment and purchase terms.

This EO is focused on IT-related systems. Contractors may be forced to change over their contracts from a given agency to the GSA as the “new” contract administrator moving forward. If this happens, there will be delays and impacts in getting answers back from the new contracting officer/administrator, and given other recent executive orders that we have written about, the need to now justify progress payments before releasing payments may further delay payment. How does a contracting officer approve a payment on a contract that it has little to no knowledge about? That certainly has the potential to cause problems. Similarly, if change orders or scopes of work are in process or submittals are pending for approval and a new contracting officer is now in place, there will undoubtedly be delays caused by the need for that new CO to “get up to speed.”

Being aware of changes such as these and putting in timely notices of possible impacts and delays is critical to a contractor’s ability to protect itself and its contract success. Working and cooperating with new contracting personnel is always a concern and happens quite often, but with GSA having less personnel and a possible sudden and massive influx of “new” contracts in its portfolio, the risk for contract slippage and cost increases is very real.

The GSA has been the U.S. government’s “buying agent” for almost a century now, but over time that role has been eroded as individual agencies sought to initiate more self-control and not

consult with other agencies, inclusive of the GSA, on purchasing systems and other services over the decades. This EO has the *possibility* of making real changes to the federal procurement system by, in reality, returning it to an earlier, hopefully more efficient and streamlined system that existed decades ago. Again, only time will tell if this hope comes to pass, and contractors need to be diligent and vigilant to protect their interests and rights.

Please feel free to contact the authors should you have questions or concerns.

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<sup>1</sup> See <https://www.whitehouse.gov/presidential-actions/2025/03/eliminating-waste-and-saving-taxpayer-dollars-by-consolidating-procurement/>