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Trump Administration Issues Executive Order Calling for Overhaul of the Federal Acquisition Regulation

Client Alert

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On April 15, 2025, the White House issued an Executive Order (EO) entitled “*Restoring Common Sense to Federal Procurement*,” which promises a complete rewrite of the Federal Acquisition Regulation (FAR). The FAR, issued by the U.S. Department of Defense (DoD), the U.S. General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), is the primary regulation used by all executive branch agencies in their procurement of goods and services.

The EO starts out by stating that “the Federal Government is the largest buyer of goods and services in the world,” and it then states that the over 2000+ page FAR is subject to “consistently negative assessments regarding its inefficiency.” The EO points to multiple recent advisory reports, which the White House characterizes as concluding that the FAR is a “barrier to, rather than prudent vehicle for, doing business with the Federal Government.” The EO then outlines the White House’s plan—on an aggressive timetable—to streamline the federal procurement system and the steps being taken to do so.

While light on the specifics that would be required to implement such a massive undertaking so quickly, the EO outlines the following framework. First, within 180 days of the EO, the Office of Federal Procurement Policy (OFPP), along with the FAR Council and other agency heads, are to take appropriate actions to amend the FAR to eliminate provisions that are not “required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic national security interests.”

Second, within 15 days of the date of the EO, each agency exercising procurement authority under the FAR is to designate a senior procurement official to work on the realignment and to recommend agency-specific supplemental regulations,

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consistent with the EO's objectives. Third, within 20 days of the date of the EO, the Office of Management and Budget (OMB) Director is to issue a memo to agencies providing guidance regarding the EO's implementation. Fourth, the OFPP Administrator and FAR Council are to issue deviations and interim guidance until the contemplated rulemaking is complete. A deviation allows a contracting activity to temporarily depart from FAR requirements. Finally, the EO contains a sunset provision, which recommends that (1) any provisions not required by statute, that nonetheless remain in the FAR; or (2) any provision, not required by statute, yet promulgated after the effective date of the contemplated rulemaking, will expire within 4 years, unless renewed by the FAR Council.

While there have been rumblings about this effort coming, the EO leaves a lot of questions unanswered. First among them, what is the feasibility of such a significant regulatory overhaul within such a short period of time? Also, what happens to the Defense Federal Acquisition Regulation Supplement (DFARS), which is similarly lengthy and complex, and which (in conjunction with the FAR) underpins current DoD acquisition policy? What steps should contractors be prepared to take regarding the significant compliance obligations required of federal contractors in light of the stated objective of attempting to remove the burden of industry from doing so? Stay tuned for further developments as the Butzel Aerospace and Defense Team will continue to monitor this potentially paradigm-shifting change for federal contractors.

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