

Trump gives GSA bigger role in government's procuring IT, 'common goods and services'

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On March 20, 2025, President Trump issued executive order ("EO") *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement* (<https://bit.ly/4ldGCxw>), which will have significant effects on federal government contracting. The EO is intended to consolidate "domestic Federal procurement" within the General Services Administration ("GSA") to "eliminate waste and duplication."

The EO has two primary objectives:

- (1) It grants GSA an increased role in the U.S. Government's acquisition of "common goods and services".
- (2) It designates the GSA Administrator as "the executive agent for all Government-wide acquisition contracts for information technology" pursuant to 40 U.S.C. § 11302(e) (<https://bit.ly/4l7lyZp>).¹

Agencies engaged in overseas operations may potentially be exempt, at least in part, from the anticipated consolidation.

We have summarized key provisions and potential effects of the EO further below.

Directive to consolidate 'domestic procurement' within GSA

The EO directs the head of each agency to submit proposals to the GSA Administrator (<https://bit.ly/3Xx2pGc>) within 60 days of the EO (i.e., no later than May 19, 2025) to have the GSA "conduct domestic procurement with respect to common goods and services for the agency[.]"

The EO defines "agency" broadly by reference to 44 U.S.C. § 3502 (<https://bit.ly/43uNOKj>), which includes "any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government ... or any independent

regulatory agency" with limited statutory exceptions. Notably, the EO also exempts the Executive Office of the President.

In turn, the GSA Administrator must within 90 days of the EO (i.e., no later than June 18, 2025) "submit a comprehensive plan" to the Director of OMB for GSA to "procure common goods and services across the domestic components of the Government[.]"

In short, the EO directs agencies to propose how to consolidate domestic procurement of common goods and services within GSA by May 19 and directs GSA to have a plan by June 18 for how that will happen.

Interestingly, the EO does not define "domestic procurement", including whether this relates to place of performance or some other metric of domestic. Thus, agencies engaged in overseas operations may potentially be exempt, at least in part, from the anticipated consolidation.

Further consolidation of procuring 'common goods and services' within GSA

The EO's directive to consolidate procurement functions within GSA is not a new concept. The EO references GSA's roots in the Federal Property and Administrative Services Act, 40 U.S.C. § 101 (<https://bit.ly/3DLavV3>) *et seq.*, citing GSA's "original purpose" of providing "an economical and efficient system" for procurement.

Notably, the EO is focused on "common goods and services", defined as "the common Government-wide categories defined by the Category Management Leadership Council led by the Office of Management and Budget (OMB)." The definition likely refers to the existing 10 Government-wide acquisition categories (<https://bit.ly/41XZw2g>).

Since at least late 2014, the U.S. Government has used category management as an approach for buying common goods and services to improve efficiency and effectiveness of procurement.² In 2016, we published a blog (<https://bit.ly/3FFRm7w>) detailing the Office of Federal Procurement Policy's release of a proposed OMB Circular

(<https://bit.ly/3RopK9l>) that was intended to institutionalize category management as the government-wide model for the acquisition of common goods and services.

In that proposed Circular, OMB defined “common goods and services” as “those items and services that all or most federal agencies procure and are not unique to the mission of an individual agency. These goods and services are interchangeable between agencies and are generally available commercially.”³

The EO’s accompanying fact sheet indicates that the consolidation will affect a range of products from computers to band saw blades and televisions.

Today, GSA already has the lead on 6 of the 10 acquisition categories: Facilities & Construction, Professional Services, IT, Industrial Products & Services, Travel, and Office Management. The remaining four categories are led by Department of Defense (“DOD”), Department of Veterans Affairs (“VA”), Department of Homeland Security (“DHS”), and the Office of Personnel Management (“OPM”).

It appears that the President would like to see GSA assume responsibility for the categories currently led by DOD, VA, DHS, and OPM (i.e., Transportation & Logistics, Medical, Security & Protection, and Human Capital).

Eventually, agencies may be required to route procurement of all domestic “common goods and services” through GSA (with the scope of such re-direction depending on, among other things, the administration’s interpretation of “domestic”).

The EO’s accompanying fact sheet (<https://bit.ly/3DXwPL0>) indicates that the consolidation will affect a range of products from computers to band saw blades and televisions.

Focus on efficiency in government-wide acquisition contracts for information technology

Within 30 days of the EO (i.e., no later than April 19, 2025), the Director of OMB is directed to “designate the [GSA] Administrator as the executive agent for all Government-wide acquisition contracts for information technology” (“IT GWACs”). The GSA Administrator must then “rationalize” IT GWACs “for agencies across the Government” to “identify[] and eliminat[e] contract duplication, redundancy, and other inefficiencies.”

Certain IT contracts may be exempt from the rationalization process. Namely, the EO permits the GSA Administrator, in consultation with the Director of OMB, to “defer or decline” to designate the GSA Administrator as the “executive agency” for particular IT GWACs “when necessary to ensure continuity of service or as otherwise appropriate.”

By April 3, 2025, the Director of OMB was to issue a memorandum to agencies that are implementing the IT contract-specific portion of the EO.

Potential effects on government contracting

The EO is short on detail. And it remains to be seen how GSA and other agencies will implement the procurement consolidation and IT GWAC rationalization, and what effects these undertakings will have on government contractors. While it may increase efficiency by reducing duplication and redundancy of IT GWACs and other contracts, the EO could also result in greater inefficiency for a number of reasons.

Agencies already have the option to purchase commercial supplies and services through a streamlined procurement process via GSA’s Federal Supply Schedule (<https://bit.ly/43qNAZq>) (“FSS”) program. And certain agencies have specialized expertise in conducting procurement in specific areas or for unique needs, which may be lost through consolidation of procurement under GSA.

For example, for decades, GSA has delegated authority to the VA to maintain nine schedules pertaining to drugs, biologics, medical devices and medical equipment and supplies under a separate and distinct VA FSS (<https://bit.ly/42kN4em>) program.⁴

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This delegation was made in recognition of the expertise and specialized knowledge of the VA, which houses the largest integrated health care system in the United States operating more than 1,300 medical centers and outpatient sites of care and serving over 9 million patients.

This delegation also recognizes the complex statutory obligations that apply to the purchase of drug products under the Veterans Health Care Act, the relationship of VA FSS purchases to other federal healthcare programs, and the unique ability of the VA to ensure that necessary medical supplies, products, and services are available to government purchasers at favorable prices.

The extent to which this EO will affect the operation of the VA FSS program and the authority long-delegated by GSA to the VA, remains to be seen. The VA FSS offerings may arguably fall outside the OMB definition of “common goods and services” on the basis that these products and services are *not* purchased by most or all federal agencies, and the VA FSS

is unique to the VA's mission, and thus, potentially beyond the scope of this EO.

We will continue to monitor the implementation of this EO and related developments, including the forthcoming OMB Director's memorandum to agencies on IT GWACs, as we have with other recent executive actions (<https://bit.ly/3FISRSh>).

Notes:

¹ Congress has authorized the Director of the Office of Management and Budget ("OMB") to "designate the head of one or more executive agencies, as

the Director considers appropriate, as executive agent for Government-wide acquisitions of information technology." § 11302(e).

² *Category Management Overview*, Acquisition Gateway, <https://bit.ly/3DYFVHy>; see also Lisa Hershman, *Category Management Leveraging Common Contracts and Best Practices to Drive Savings and Efficiencies* (December 2018); <https://bit.ly/4I78IQ5>.

³ See 81 Fed. Reg. 69860, 69861 (October 7, 2016).

⁴ See FAR 8.402(a) (<https://bit.ly/4ill0WV>).

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