DID YOU KNOW?

All six installments of the RFO Update series can be accessed in NCMA's content library at content.ncmahq.org.

Revolutionary FAR Overhaul Update

This sixth installment of the *Contract Management* magazine coverage of the Revolutionary FAR Overhaul details changes in word count, readability, reduction in imperative language, and more.

By Don Mansfield, CFCM

In this sixth installment to our series covering the Revolutionary FAR Overhaul (RFO), we cover deviation guidance for Federal Acquisition Regulation (FAR) Parts 15, 16, 19, 22, 37, 41, and 47. As part of our coverage, we provide document statistics to assess the changes in terms of word count, readability (using the Flesch-Kincaid scale), and reduction of imperative language. The following summarizes the changes for each part and provides commentary on the changes.

FAR Part 15: Contracting by Negotiation

FAR Part 15 prescribes policies and procedures governing competitive and noncompetitive negotiated acquisitions. Table 1 contains an analysis of the deviation guidance.

TABLE 1. FAR Part 15: Contracting by Negotiation

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
32498	28143	-4355	15.6	14.3	-1.3	386	286	-100

Highlights:

- Elimination of the words *discussions* and *communications.*
- Broader description of permissible *clarifications.*
- Revised definitions of *deficiency* and *proposal revision.*
- Revised description of *competitive range.*
- Addition of the "Highest Technically Rated With a Fair and Reasonable Price" source selection approach.

Bottom line: If any part needed to be stripped down to its statutory roots, it was FAR Part 15. Unfortunately, the FAR Council left most of the part unchanged. Having said that, there is a lot to like about the changes that were made.

The word *communications* to describe a type of exchange served no purpose, since any type of exchange that could be accomplished via *communications* could also be made through *clarifications.* The additional examples where clarifications can be used (i.e., to "enhance the government's understanding of a proposal," "allow reasonable interpretation," and address "ambiguities" as well as "perceived deficiencies, weaknesses, errors, omissions, or mistakes") is a welcome improvement.

The FAR Council clarified the definition of *deficiency* by simply describing it as "any part of an offer that does not conform to a material requirement of an RFP" and then clearly defining "material requirement." Thankfully, there are no more references to a "combination of significant weaknesses."

Proposal revision includes only changes to "material elements to a proposal" to clarify that not every change made during negotiations constitutes a proposal revision. That's a good clarification, but there is no definition of "material element of a proposal." The FAR Council needs to tell us what they mean, instead of leaving it to the Government Accountability Office and the Court of Federal Claims to define. A far better approach would be to define *proposal* as a response to an RFP that consists of (1) an *offer* (i.e., a set of promises) and (2) *other information* to be used to evaluate the *offer* and *offeror capability.* Then, limit the submission of *offer revisions* to offerors in the competitive range. Changes to the *other information* contained in the proposal would not constitute an *offer revision* and could be made using *clarifications.*

The description of the competitive range as the group of "all of the most highly rated proposals" is replaced with a more accurate description of "the group of evaluated proposals that the *contracting officer determines are best suited* for further negotiation."

Other comments:

The word *discussions* is eliminated and replaced with *negotiations.* However, neither word accurately describes a process that is closer to a blind multi-attribute reverse auction. Maybe we don't need a word for this process; maybe we call it an interim evaluation debriefing and an opportunity to submit an offer revision.

The lowest hanging fruit of FAR Part 15 – fixing the "late is late" rule – was inexplicably left unchanged.

FAR Part 16: Types of Contracts

FAR Part 16 describes types of contracts that may be used in acquisitions. It prescribes policies and procedures and provides guidance for selecting a contract type appropriate to the circumstances of the acquisition. Table 2 contains an analysis of the deviation guidance.

TABLE 2. FAR Part 16: Types of Contracts

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
19266	16460	-2806	15.2	15.1	-0.1	179	147	-32

Highlights:

- Removal of restriction on use of contract types not described in the *FAR* without an approved deviation.
- Former FAR part 16.505 Ordering is now divided into three new sections.
- New coverage of on-and-off ramps from multiple-award contracts.
- New authority to establish blanket purchase agreements (BPAs) under multiple-award contracts.

Bottom line: Contracting officers are no longer limited to the types of contracts described in the *FAR*. The updated language reads, "*contract types that promote the best interests of the government, but are not described in this regulation, are permitted* for use in accordance with agency procedures." It will be interesting to see how agencies react to this new freedom. The reorganization of FAR 16.505 into three new sections improves readability significantly, as that section had become unwieldy. Lastly, the authority to establish blanket purchase agreements (BPAs) under multiple-award contracts could be problematic. Unlike ordering under Federal Supply Schedules, when ordering under multiple-award contracts there is a statutory requirement (41 U.S.C. §3302(c)(2)) to (1) notify *all* contractors of the intent to make an *individual purchase* (defined as a task order, delivery order, or other purchase) and (2) afford *all* contractors responding to the notice a fair opportunity to be considered for the *individual purchase*. Having said that, the RFO Practitioner Guide for part 16 states, "Contracting Officers must create ordering procedures for the BPA that provide fair opportunity to all BPA holders, *not all contractors under the IDIQ*." That doesn't seem to comply with the statute – we may have to wait for a protest before we know for sure.

FAR Part 19: Small Business Programs

FAR Part 19 implements the acquisition-related sections of the Small Business Act (15 U.S.C. 631, *et seq.*), applicable sections of the Armed Services Procurement Act (10 U.S.C. 3063–3064 and 3203), 41 U.S.C. 3104, and Executive Order 12138, May 18, 1979. Table 3 contains an analysis of the deviation guidance.

TABLE 3. FAR Part 19: Small Business Programs

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
42495	30050	-12445	16.3	15.9	-0.4	432	314	-118

Highlights:

- Reorganization of content by acquisition phase.
- Added language to clarify where an *acquisition is below the competitive threshold*, contracting officers *must first try conducting the acquisition as a competitive 8(a) order* using SBA-approved. government-wide contracts that permit it before *proceeding with a sole source 8(a)*.
- Automatic release from the 8(a) Program if follow-on will be set aside under the HUBZone, SDVOSB, or WOSB programs.

Bottom line: There are two 8(a) program rule changes of note – one that speeds up acquisition and one that slows it down. The first rule – now stated at FAR 19.203(c) – for follow-on contracts to 8(a) contracts to remain in the 8(a) Program unless the SBA "agrees to its release" no longer applies if the follow-on will be set aside under the HUBZone, SDVOSB, or WOSB programs. The second rule change would require the extra step of conducting a competition for an order before proceeding with an 8(a) sole source for acquisitions below the competitive threshold. This would eliminate a significant administrative advantage to using the 8(a) Program. Lastly, the FAR Council committed a major blunder with regard to the limitation on subcontracting under the 8(a) Program. In 2021, the *FAR* was revised to change the method for measuring compliance with limitation on subcontracting from the percentage of the *cost to perform* the contract to the percentage of the contract value *paid to subcontractors.* The final rule for this change even had tables showing the old way and new way to calculate subcontracting (see 86 FR 44233). This change implemented part of the FY 2013 NDAA and the corresponding changes to the SBA regulations. For some reason, the FAR Council lined out the rule as it currently appears at FAR 19.505 and inserted the old *cost-to-perform* rule in the 8(a) Program section of the deviation guidance. Fortunately, this mistake did not carry over to the implementing clause at RFO 52.219-14.

FAR Part 22: Application of Labor Laws to Government Acquisitions

FAR Part 22 deals with general policies regarding contractor labor relations as they pertain to the acquisition process, prescribes contracting policy and procedures for implementing pertinent labor laws, and prescribes contract clauses with respect to each pertinent labor law. Table 4 contains an analysis of the deviation guidance.

TABLE 4. FAR Part 22: Application of Labor Laws to Government Acquisitions

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
46824	34024	-12800	16.3	16.9	0.6	425	287	-138

Highlights:

- Relocation of guidance related to service contract and construction wage determinations to FAR Companion Guide.
- Deletion of FAR subpart 22.11, Professional Employee Compensation.
- New requirement for contracting officer to verify proposed contractor is current with its submission of VETS-4212 Report before contract award.

Bottom line: Even after removing almost 13,000 words, part 22 is still the longest of all. A lot more could be cut if there were more cross-references to relevant Department of Labor regulations and less restatement of those regulations. Contracting officers must be rejoicing at the removal of FAR subpart 22.11, Professional Employee Compensation, which required submission and evaluation of an offeror's "total compensation plan." The decision to use professional employee compensation as an evaluation factor and the determination of what information would be needed to make the evaluation is best left to the agency. Lastly, the VETS-4212 verification is one more thing to hold up contract awards. Hopefully, the VETS-4212 database will be simple to use and updated regularly.

FAR Part 37: Service Contracting

FAR Part 37 prescribes policy and procedures that are specific to the acquisition and management of services by contract. Table 5 contains an analysis of the RFO deviation guidance.

TABLE 5. FAR Part 37: Service Contracting

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
5787	3320	-2467	15.7	15.4	-0.3	53	36	-17

Highlights:

- More sensible organization of coverage.
- Relocation of guidance for avoiding unauthorized personal services contracts to FAR Companion.

Bottom line: In its final report to Congress, the Section 809 Panel described how the archaic "descriptive elements" of personal service contracts (PSCs) at FAR 37.104(d) had historically confused contracting officers engaged in service contracting (see Volume 2, Recommendation #31 of the report). The good news is that the deviation guidance removed those descriptive elements. The bad news is that they were moved to the FAR Companion. Other than that, the part is shorter and better organized.

FAR Part 41: Acquisition of Utility Services

FAR Part 41 prescribes policies, procedures, and contract format for the acquisition of utility services. Table 6 contains an analysis of the RFO deviation guidance.

TABLE 6. FAR Part 41: Acquisition of Utility Services

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
4943	4587	-356	16.8	17.1	0.3	55	48	-7

Highlights:

- Minor changes intended to streamline and improve clarity.
- Express exclusion of broadband internet and information technology services from the definition of "utility service."

Bottom line: Overall, this is unremarkable. There is a slight decrease in word count, a slight decrease in readability, and no change in the administrative burden. Next.

FAR Part 47: Transportation

FAR Part 47 prescribes policies and procedures for applying transportation and traffic management considerations in the acquisition of supplies and acquiring transportation or transportation-related services by contract methods other than bills of lading, transportation requests, transportation warrants, and similar transportation forms. Table 7 contains an analysis of the deviation guidance.

TABLE 7. FAR Part 47: Transportation

Document Statistics:

Word Count			Readability (Flesch-Kincaid)			Shalls/Musts		
Current	RFO	Net	Current	RFO	Net	Current	RFO	Net
20134	12039	-8095	15.4	15.1	-0.3	274	39	-235

Highlights:

- Removal of 33 provisions and clauses and corresponding prescriptions.
- Relocation of extensive procedural guidance to the FAR Companion.
- Descriptions of contractor responsibilities relocated to corresponding contract clauses.

Bottom line: There is approximately a 40% reduction in word count due to removal of numerous obscure delivery terms (e.g., F.O.B. Origin – Minimum Size of Shipments) and relocation of procedural guidance to the FAR Companion. One edit that I hope to see more of: a one-sentence cross-reference to rules stated in a different title of the CFR – in this case the Transportation Payment and Audit Regulation (41 CFR 102-118) – in lieu of restating those rules in the *FAR*. The FAR Council has a long history of taking its time to update the *FAR* to accommodate changes to other CFR titles. A simple cross-reference to the applicable rules makes a lot of sense.

Conclusion

This final tranche of deviation guidance was encouraging. We began to see more than just reorganization and plain language rewriting of content. There were changes to policies and procedures that have the potential to improve efficiency. Hopefully, this continues in phase 2 of the RFO. CM

Don Mansfield is a consultant, trainer, writer, and speaker in federal contracting. He has over 30 years of experience working in the Department of Defense and industry. He is the owner of Don Acquisition LLC. Line-in line-out documents showing changes to the FAR based on the deviation guidance are available on his website at www.donacquisition.com.

COUNSEL COMMENTARY

Compliance Hot Spots for the New Year

The government's top enforcement priorities are reshaping the False Claims Act risk landscape for contractors.

BY STEPHEN L. BACON

The government has powerful tools to penalize contractors that knowingly or recklessly violate material contract requirements. In particular, the False Claims Act (FCA) imposes steep penalties and liability up to three times the damages caused by presenting a false or fraudulent claim.

An FCA claim can be asserted by the Department of Justice (DOJ) directly or by whistleblowers (known as "relators") who file *qui tam* lawsuits. Federal agencies also have the authority to initiate "administrative" FCA claims that can be used to pursue smaller fraud cases that DOJ declines to take. Moreover, FCA violations often serve as a predicate for agencies to take other adverse administrative or contractual actions against a contractor, including suspensions and debarments, terminations for default, and negative performance reviews.

These severe consequences provide ample reason for contractors to establish robust compliance programs that are designed to detect and neutralize risks. Those compliance programs should be especially well-adapted to the areas that will be monitored and investigated most aggressively by the government.

This year, contractors face heightened risks across a diverse array of issues that have become focal points for enforcement. Based on the priorities established by the Trump administration in 2025, contractors should expect a high degree of scrutiny on their compliance with laws, regulations, and federal contract requirements related to immigration, cybersecurity, international trade, and civil rights.

Employment and E-Verify

The E-Verify system compares an employee's Form I-9 (Employment Eligibility Verification) to records maintained by the U.S. Department of Homeland Security and Social Security Administration to confirm that the employee is authorized to work in the United States. FAR 52.222-54 requires contractors to be enrolled in the E-Verify program and use it to verify that covered employees are eligible.

Specifically, the clause mandates verification of (1) all new hires who are working in the United States; and (2) each employee "assigned to the contract," whether new or existing. Contractors may opt to verify all existing employees instead to simplify compliance. The clause must be flowed down to subcontracts greater than $3,500 for certain services and construction if the work is performed in the United States.

In May 2025, the Department of Justice (DOJ) took steps to encourage individuals to report companies that violate federal immigration law. Under DOJ's revised Corporate Whistleblower Awards Program (CWAPP), individuals are now eligible to receive up to 30% of any monetary recovery if information they provide leads to a criminal or civil forfeiture that exceeds $1 million. This offers a substantial reward to disgruntled former employees and other individuals to report companies that employ unauthorized workers.

DOJ is also ramping up its scrutiny of federal contractors. In January 2025, Bollinger Shipyard LLC agreed to pay more than $1 million to settle allegations

that it used ineligible workers to manufacture ships for the U.S. Coast Guard.[1]

Then, in September 2025, DOJ announced a $4 million settlement with the Bayonne Drydock and Repair Corporation to resolve allegations that its affiliated subcontractors employed numerous unauthorized individuals to perform work on Navy ship repair contracts.[2] The Bayonne employee who owned or controlled those subcontractors and allegedly orchestrated the scheme also pleaded guilty to criminal charges of knowingly hiring and continuing to employ unauthorized workers.

These settlements provide a stark warning to contractors that they can face serious consequences for flouting E-Verify requirements. To avoid these ramifications, contractors must take proactive steps to ensure that their hiring and employment practices comply with FAR 52.222-54.

Contractors should implement a process to accurately identify employees who are covered by the clause and verify that they are eligible. If E-Verify returns a tentative nonconfirmation (TNC), follow the resolution process to determine the employee's eligibility, document each step, and terminate employees ultimately deemed ineligible.

As the Bayonne case illustrates, a prime contractor can be held liable for its subcontractor's violation in situations where the prime contractor "knew or should have known" of the violation and did not take appropriate action. Thus, although prime contractors are not obligated to directly verify the eligibility of each subcontractor employee, prime contractors cannot ignore red flags that indicate potential noncompliance by their lower-tier subcontractors.

On November 10, 2025, the final rule implementing the CMMC program took effect after years of development. The CMMC rule establishes a framework for defense agencies to impose different cybersecurity, assessment, and certification level requirements in contracts that depend on the type of information and nature of the program involved.

Cybersecurity

In 2021, DOJ launched its Civil Cyber-Fraud Initiative to bring cases against contractors and grantees that fail to comply with cybersecurity requirements, misrepresent their cybersecurity controls and practices to agencies, fail to adequately monitor cybersecurity systems, and neglect to timely report cyber incidents and breaches.

This initiative has already spawned several multimillion-dollar FCA settlements, and contractors should expect this enforcement trend to continue to accelerate as the Department of War (DOW) begins to roll out the Cybersecurity Maturity Model Certification (CMMC) program.

On November 10, 2025, the final rule implementing the CMMC program took effect after years of development.[3] The CMMC rule establishes a framework for defense agencies to impose different cybersecurity, assessment, and certification level requirements in contracts that depend on the type of information and nature of the program involved. The CMMC final rule ratchets up the cyber fraud risk profile for contractors in part because it will substantially increase the number of contractors that are subject to an independent assessment of their cybersecurity practices.

Historically, most defense contractors have been permitted to evaluate and score their own cybersecurity practices and "self-attest" that they are compliant in the Supplier Performance Risk System (SPRS). As CMMC is implemented, however, an increasing number of contractors

COUNSEL COMMENTARY CONT'D

will have their cybersecurity practices assessed by either a Certified Third-Party Assessment Organization (C3PAO) or the Defense Contract Management Agency's Defense Industrial Base Cybersecurity Assessment Center (DIBCAC).

These independent assessments are likely to identify instances where contractors are not compliant with relevant requirements and may have misrepresented their compliance during prior self-assessments submitted to SPRS. A material discrepancy between a contractor's self-reported SPRS score and the results of an independent C3PAO or DIBCAC assessment could subject the contractor to significant exposure to civil or even criminal liability under the FCA.

In addition, whistleblowers are filing a growing number of *qui tam* lawsuits under the FCA that are premised on contractor violations of cybersecurity requirements. Employees or former employees who have inside knowledge of a contractor's cybersecurity practices are well-positioned to assert FCA claims alleging that the contractor submitted false compliance affirmations.

To avoid FCA exposure and maintain eligibility for contracts, contractors must ensure that cybersecurity requirements are met, accurately reported to the government, and sufficiently documented in a System Security Plan (SSP). Prime contractors must also take appropriate steps to verify that their subcontractors have the required CMMC certificate at the level appropriate for the information being flowed down to them.

International Trade

On August 29, 2025, DOJ assembled a cross-agency Trade Fraud Task Force with the Department of Homeland Security to aggressively enforce customs fraud, tariff evasion, and smuggling of prohibited items.[4] Government contractors in particular should expect the Trade Fraud Task Force to undertake robust investigations of fraud schemes involving misrepresentations related to country-of-origin designations.

DOJ recently unsealed an indictment against two companies and their executives for allegedly importing forklifts made in China, concealing their origin, and fraudulently selling them to the government as "American-made" products in violation of the Buy American Act (BAA) and Trade Agreements Act (TAA).[5]

According to the indictment, the defendants engaged in a multi-year fraud scheme to avoid a 25% tariff on forklifts sold to government agencies by removing Chinese-origin decals, stickers, and inspection tags and submitting false BAA and TAA certificates for the products.

This prosecution reflects DOJ's commitment to holding companies and individuals accountable for trade-related fraud and, in particular, schemes that have a nexus to government contracting. The indictment alleges that the defendants took deliberate steps to conceal the true country-of-origin for products they sold to the government, but companies should understand that they can face FCA liability for less egregious conduct.

Indeed, a contractor "knowingly" submits a false claim or statement under the FCA if it acts with "actual knowledge" of the true information, but also if it acts with "deliberate ignorance" or "in reckless disregard of the truth or falsity of the information."[6]

Thus, although contractors can ordinarily rely on their supplier's certification of BAA/TAA compliance, contractors cannot deliberately ignore or recklessly disregard obvious red flags that call the supplier's certification into question.

In this heightened trade enforcement environment, contractors must establish and maintain strong country-of-origin compliance regimes. These programs should be designed to ensure that certification requirements are flowed down to suppliers, adequate records to document compliance are maintained and kept well organized, and suppliers are subject to sufficient oversight to detect potential anomalies that could trigger government scrutiny.

Hiring Policies and Programs

In May 2025, DOJ established the Civil Rights Fraud Initiative to build upon the policies set forth in President Trump's Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity.[7]

Pursuant to this initiative, the government will use the FCA as a tool to "pursue claims against any recipient of federal funds that knowingly violates federal civil rights laws."[8]

DOJ also "strongly encourages" whistleblowers to file civil rights-related FCA lawsuits, which is an indication that the government will be highly interested in intervening in such lawsuits.

Executive Order 14173 revoked prior Executive Order 11246, which had been in place for nearly 60 years after it was issued by President Lyndon Johnson in the wake of the Civil Rights Act of 1964. Executive Order 11246 and its implementing contract clauses prohibited discriminatory practices and required contractors to implement affirmative action programs.

But those clauses have now been eliminated and programs that confer preferences based on protected characteristics may be viewed as unlawful.

DOJ has issued guidance to identify examples of programs and policies that are considered illegal because they give preferential treatment to individuals or groups based on protected characteristics in a way that disadvantages other qualified persons.[9]

The guidance also highlights that certain training programs can be discriminatory or create a hostile work environment if, for example, they "single out, demean, or stereotype individuals based on protected characteristics."[10]

Contractors can limit their exposure by conducting a thorough audit of their policies and programs, including those related to hiring, employment, promotion, compensation, training, and vendor selection, to identify practices that may be inconsistent with DOJ guidance.

If appropriate, contractors should revise their policies and programs and update websites and other public-facing materials describing those policies or programs that could serve as a predicate for DOJ to investigate.

Conclusion

During the past year, the legal compliance and enforcement terrain for government contractors has undergone significant changes. The federal government has established a range of new policies, priorities, and initiatives that have transformed the environment in which contractors operate.

To mitigate emerging risk areas, contractors should implement strong compliance programs tailored to the issues designated for priority enforcement. **CM**

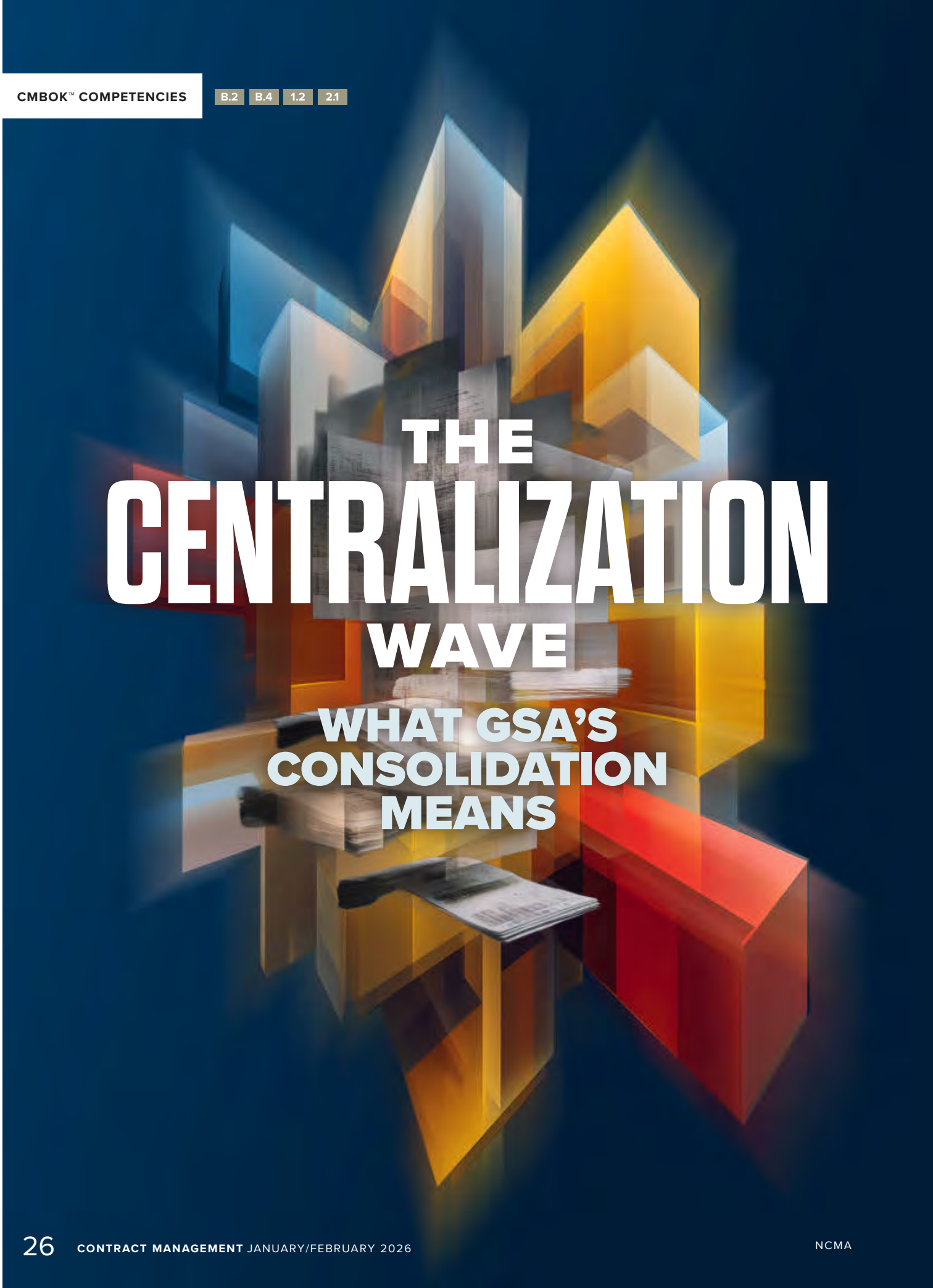
Stephen L. Bacon is a shareholder in the Washington, D.C. office of the law firm Rogers Joseph O'Donnell, where he represents government contractors in bid protests, claims, terminations, investigations, and suspension and debarment proceedings. He frequently litigates cases at the Court of Federal Claims, the Government Accountability Office, the Boards of Contract Appeals, and the Small Business Administration's Office of Hearings and Appeals. He also provides advice and counsel to clients on a broad range of contractual and regulatory compliance issues that confront government contractors.

The views expressed in this article are those of the author and do not necessarily reflect the views of Rogers Joseph O'Donnell or its clients. This article is for general information purposes and is not intended to be and should not be construed as legal advice.

ENDNOTES

1 See https://www.justice.gov/archives/opa/pr/bollinger-shipyard-llc-agrees-pay-1025000-settle-false-claims-act-allegations-involving.
2 See https://www.justice.gov/usao-nj/pr/government-contractor-pay-over-4-million-settle-false-claims-act-allegations.
3 90 Fed. Reg. 43560 (Sept. 10, 2025).
4 See https://www.justice.gov/opa/pr/departments-justice-and-homeland-security-partnering-cross-agency-trade-fraud-task-force.
5 See https://www.justice.gov/opa/pr/two-companies-and-three-executives-indicted-fraudulently-selling-chinese-forklifts-us.
6 31 U.S.C. § 3729(b).
7 See https://www.justice.gov/opa/pr/justice-department-establishes-civil-rights-fraud-initiative.
8 Deputy Attorney General Memorandum, Civil Rights Fraud Initiative (May 19, 2025).
9 Attorney General Memorandum, Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination (July 29, 2025).
10 Id. at 8.

CMBOK™ COMPETENCIES B.2 B.4 1.2 2.1



THE CENTRALIZATION WAVE

WHAT GSA'S CONSOLIDATION MEANS

The government is moving toward a model where buying decisions are informed by clearer data and more standardized systems. Contractors must mirror that approach internally if they want to stay ahead of the curve.

By Cristi Suhadolnik

In March 2025, Executive Order (EO) 14240[1] directed agencies to centralize the acquisition of "common goods and services" under the guidance of the General Services Administration (GSA).

While GSA has supported federal procurement of goods and services for more than three decades, the EO emphasizes that this segment of federal purchasing represents over half a trillion dollars annually,[2] making it a critical area for oversight, efficiency, and strategic control.

Although the executive order accelerated the role of GSA, this shift did not emerge overnight. The foundations were laid years earlier through category management initiatives led by the Office of Management and Budget (OMB), which aimed to reduce contract duplication, improve pricing consistency, and create greater transparency into how, and from what source, the government buys.

The shared objective across administrations has been consistent: gain clearer insight into federal spending to inform smarter procurement decisions.

For contractors, this means the expectations for reporting, compliance, pricing justification, and internal contract governance are changing.

Staying competitive will require not just reacting to updates as they occur, but anticipating the direction of policy and preparing internal systems before changes become mandatory.

This article examines the changes implemented in FY 2025, outlines anticipated developments for FY 2026, and highlights what signs today's market conditions offer about where federal procurement is heading next and how contractors can position themselves to benefit from it.

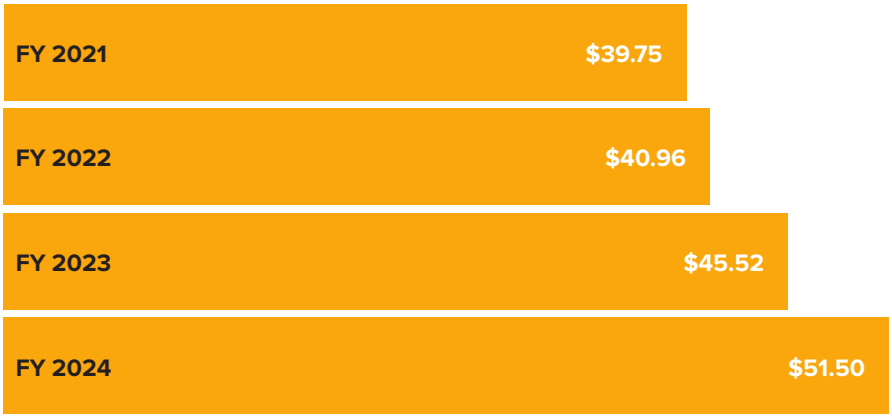
Consolidation in Motion

Category Management, introduced by OMB in 2014[3] and refined in 2019,[4] laid the groundwork for the consolidation of the former 24 GSA Schedules into the single GSA Multiple Award Schedule (MAS) we know today. The purpose of this consolidation was straightforward: streamline procurement for both agencies and industry.

Instead of navigating overlapping or duplicative contract pathways, buyers and sellers could operate through a unified structure that supports more complete, solution-based offerings. That same drive for efficiency continues to shape policy decisions today.

The GSA MAS Program has had steady increases over the last four fiscal years,[5] as shown in Figure 1.

FIGURE 1. MAS Sales (in billions)



We are now seeing these consolidation principles applied beyond MAS. A clear example is the Department of Homeland Security cancellation of the anticipated Program Management, Administrative, Clerical, and Technical Services III (PACTS III vehicle),[6] which DHS directly linked to Executive Order 14240.

DHS has instead stated an intent to work with GSA to meet those service needs through existing government-wide solutions. Similarly, GSA is in negotiations with the National Aeronautics and Space Administration (NASA) regarding the transition of management responsibility for Solutions for Enterprise-Wide Procurement VI (SEWP VI), expected to occur following award finalization.[7]

While details regarding the contract's structure post-transition remain to be seen, the direction is consistent with OMB guidance that agencies must use existing government-wide contracts before creating new ones, and that GSA should assume ownership of contracts relating to "common goods and services" wherever appropriate.[8]

These developments mark a clear "writing on the wall" moment for the contracting community. Historically, vehicles such as PACTS and SEWP IV have served as key alternatives or complements to a contractor's MAS contract.

Their consolidation under GSA signals a shift in how opportunities will flow moving forward. For contractors, this means two things:

1. It underscores the need to keep MAS contracts current – ensuring Special Item Numbers (SINs), labor categories, solutions, and pricing are accurate and competitive.
2. As seen with PACTS III, buying agencies are increasingly turning to established government-wide contracts for their procurement needs. In short, contractors will have fewer agency-specific vehicles to pursue and must rely more heavily on the strength and scope of their existing GSA Schedule.

This is not a dramatic surge; it is a measured broadening consistent with a maturing, centralized market structure. The government is not buying less. It is buying through fewer, more standardized channels that support transparency, compliance, efficiency, and strategic sourcing goals.

This momentum has led some contractors to express concern that consolidation and specifically the increased reliance on MAS, will reduce the number of available opportunities while simultaneously heightening competition.

The concern is understandable: when multiple, smaller or agency-unique contracting pathways are combined into broader government-wide vehicles, it can feel like the field is shrinking.

However, what is happening is not a reduction, but a redistribution of where opportunities exist. The marketplace is reorganizing – not contracting.

For firms that have historically succeeded in specialized or agency-specific contracting environments, this may initially feel like pressure.

These businesses may now encounter more experienced MAS competitors than before. Conversely, companies that have invested in the MAS ecosystem early and consistently may find doors opening within agencies and programs that were previously difficult to access.

The data reflects this dynamic. According to HigherGov, full-and-open solicitations average approximately three

offerors, while comparable opportunities through MAS average 4.1 responders.[9]

This is not a dramatic surge; it is a measured broadening consistent with a maturing, centralized market structure. The government is not buying less. It is buying through fewer, more standardized channels that support transparency, compliance, efficiency, and strategic sourcing goals.

For some contractors, this means the field they already play in is getting larger.

For others, previously opaque opportunity spaces are becoming more visible and more accessible.

The strategic question, therefore, is not "Are there still opportunities?"

It is "Are we positioned to see them, qualify for them, and compete effectively?"

Data and Compliance

One of the overarching objectives behind these initiatives is increased transparency. Transactional Data Reporting (TDR)[10] is designed to provide the government with clearer insight into what is being purchased, from whom, and at what price. Under TDR, agencies gain visibility not just into supplier names, but into line-item level detail, such as:

- Manufacturer
- Unit of Issue (e.g., each case or pallet)
- Unit Cost

In theory, this equips buyers with more reliable and complete data, enabling them to:

- Compare vendors on an apples-to-apples basis.
- Build solicitations informed by real purchasing behavior.
- Identify redundancies, waste, and patterns in government-wide buying trends.
- Strengthen category management and strategic sourcing decisions.

In short, the government becomes a more informed consumer. However, this clarity on the buyer side introduces a very real operational burden for contractors.

Historically, MAS sales were reported at the SIN level, requiring only a total-dollar amount per reporting period. TDR eliminates that simplicity. Vendors must now maintain detailed internal tracking systems capable of capturing every transaction at the stock-keeping unit (SKU) or task-order level.

For large firms with mature systems, this is often a process refinement. For small businesses, especially those accustomed to lighter administrative structures, this can mean:

- Reconfiguring accounting or order management systems.
- Investing in new tracking software or external bookkeeping support.
- Re-training staff on contract-compliant recording and reporting.
- Reconciling discrepancies between commercial billing practices and federal requirements

This becomes even more significant as TDR expands further into services in FY26. Service providers traditionally do not track labor-hour billing or deliverables at the same granularity required under TDR.

Many operate using blended rates, milestone billing, or subcontractor roll-up pricing. Though GSA has stated on multiple occasions[11] that it will not require service providers to break down their invoice any more than the buying agency does. If we have learned anything from the changes that have already occurred, we can anticipate changes here.

Small businesses may underestimate the operational lift required to stay compliant. For many, the MAS program has historically mirrored their commercial sales infrastructure with modest adjustments. TDR disrupts that alignment.

The irony is that while TDR aims to simplify buying for the government, it introduces complexity for many contractors – particularly those the schedule was originally designed to help the most: small and emerging federal suppliers.

Market Impact: Who Stands to Gain and Who May Feel the Pressure

The consolidation of procurement pathways and the increased emphasis on government-wide vehicles (particularly MAS) do not impact all contractors evenly. The effects vary based on business size, sector maturity, and how intentionally organizations position themselves.

Small and Mid-Size Businesses

Small and mid-size firms face the greatest risk of being squeezed. These companies are often too sophisticated and capable to compete solely in micro-purchase or single-award settings, yet do not always have the internal systems, bandwidth, or pricing leverage to compete head-to-head with larger players on consolidated vehicles.

However, this does not mean the environment is inhospitable. In fact, consolidation can amplify opportunities for small firms that:

- Serve high-specialization or mission-driven niches.
- Hold agency intimacy (deep relationships and past performance positioning).
- Can offer rapid delivery, lower overhead, or "boutique-level" expertise.

TABLE 1. Trends in MAS Contracts

SECTOR/SIN AREA	MARKET TREND	WHY THIS MATTERS FOR VENDORS
Health IT & Digital Health	Rapid growth, strong cross-agency demand, high regulatory complexity	Small firms with HIT domain fluency are outperforming generalist IT contractors
Cybersecurity & Zero Trust	Increased mandatory modernization creates sustained demand	Agencies favor firms with provable frameworks, not just credentials
Facilities & Operations	Increased consolidation into broader multi-discipline solutions	Mid-tier firms with scalable subcontracting networking are winning

- Pair MAS access with strong set-aside status (8(a), SDVOSB, WOSB, HUBZone).

The market is trending away from generalists and toward distinctive capability identity.

The small firms that will lose ground are those that simply "have a Schedule." The ones that will win are those that can clearly articulate, "This is what we do better than anyone else in this mission space."

Large Players

Large prime contractors and global integrators are structurally better positioned to dominate consolidated contract environments. They have:

- Established pricing infrastructures.
- Mature compliance systems.
- Business development engines with multi-year visibility pipelines.
- Dedicated proposal teams able to respond to dozens of solicitations at once.

This enables them to scale quickly into newly consolidated buying channels and capture ground rapidly.

However, their size also creates blind spots, particularly in innovation-driven or fast-moving technical domains where agility matters more than volume.

This means the competitive question becomes less about "Can we beat the big guys?" and more about "Where are the large integrators slow, rigid, or unfocused?"

Those gaps are where emerging contractors can thrive.

What We've Observed Firsthand

Drawing from Capitol 50's work across more than 150 live MAS contracts, several clear patterns are emerging, as shown in Table 1.

Firms that struggle, across all sizes, are those that:

- Cannot articulate what makes them different.
- Treat MAS as a passive listing instead of a proactive sales engine.
- Chase every request for proposal (RFP) instead of building targeted agency profiles and capture plans.
- The takeaway is clear: the winners in this new landscape are not necessarily the biggest but the most strategically positioned.

External Pressures

While industry conversations often focus on the mechanics of consolidation and MAS usage, it's important to acknowledge the broader forces pushing these changes forward. This is not happening in a vacuum.

Federal procurement sits at the intersection of political priorities, economic conditions, and administrative mandates; and each of these pressures is reinforcing the move toward standardized, government-wide buying behaviors.

Political Cycles

Every election cycle brings shifts in executive priorities; some subtle, some dramatic. New administrations issue new executive orders, revise previous policy directives, and reframe what "success" in government procurement should look like.

For contracting officers, this means the strategic focus can swing between:

- Competition vs. vendor outreach.
- Innovation vs. risk minimization.
- Small business advancement vs. consolidated efficiency.

Contractors who treat federal sales as a static playbook tend to get caught

flat-footed here. The companies that adapt and anticipate the "why" behind policy shifts tend to remain relevant regardless of who occupies the White House.

Economic Uncertainty

In periods of economic pressure, the government historically prioritizes predictability and cost rationalization. We're seeing that again now. Continuing resolutions and delayed budgets force agencies to work within shorter and more unpredictable funding windows.

When time is limited, buyers gravitate toward established contract vehicles, known vendors, and faster procurement pathways. This accelerates centralization. Not because anyone declared it but because agencies need faster, lower-risk ways to buy when budgets are uncertain or late.

Administrative Priorities

Over the last decade, there has been a steady push across OMB, GSA, and agency leadership to modernize how the government buys. The themes repeat:

- *Efficiency:* Fewer redundant contracts, fewer duplicative administrative processes.
- *Standardization:* Common terms, pricing structures, compliance expectations.
- *Outcome-based buying:* Moving away from level-of-effort and toward measurable results.

Centralized vehicles, especially MAS, fit squarely into this narrative. They allow agencies to meet internal performance metrics, document compliance more easily, and demonstrate stewardship of taxpayer dollars.

The bottom line is that these external pressures aren't temporary disruptions – they are reinforcing trends. Centralized procurement, transparency, and outcome-driven contracting aren't fads – they are structural direction.

Contractors who recognize this can align early and build strategies that benefit from the long game. Those who resist will experience the market shift as something being done to them.

Strategies for Contract Managers

This is where we move from observing the market to actively navigating it. Contract managers are in a pivotal position right now; the organizations that adapt their internal structures and mindset will remain competitive. Those that continue operating on autopilot will struggle to keep up.

The goal here is sustainability and readiness, not reacting every time the government changes direction.

Build Scalable Compliance Frameworks

We cannot afford to operate in a mode where we are constantly chasing modifications, updates, refreshes, and reporting changes one by one. That model strains internal resources and leads to missed deadlines and preventable compliance risk.

Instead, create repeatable, documented workflows that:

- Define ownership: Who does what, no ambiguity.
- Set predictable timelines for internal reviews.
- Standardize how pricing, labor categories, and data are maintained.

Think of compliance less as a one-time event and more as a system you run consistently. The next refresh or policy update will come; we know that. Your team should already have a defined response framework in place before you even know what the change is.

Yes, you still need to stay informed through channels like GSA Interact and policy alerts, but the goal is to build a repeatable process that doesn't require reinvention every time something shifts.

Use Data to Align With Category Management Priorities

Category management isn't going anywhere. Agencies are under pressure to justify buying decisions with data and contractors should mirror that approach. This means contract managers should:

- Track where their customers are actually buying from.
- Understand how their pricing compares to market norms.
- Use spend analytics to identify new agency targets.

When you walk into conversations armed with data that supports why you're the right solution, not just that you're available on MAS, you become significantly more competitive.

Diversify the Pipeline

No single vehicle is *the* strategy. MAS is powerful, but it is not the end all be all. The last few years have shown us that the government can and will shift direction quickly.

To protect long-term stability:

- Build capture pipelines across multiple vehicles and multiple agencies.
- Pair MAS with set-aside strategies, blanket purchase agreements (BPAs), SEWP, Chief Information Officer – Solutions and Partners (CIO-SP), or agency-specific indefinite delivery, indefinite quantity (IDIQ) participation.

- Invest in relationships, not just registrations.

Overreliance on one platform, no matter how strong, makes your growth vulnerable.

Shift the Mindset: From "Winning SINs" to Delivering Measurable Outcomes

This is a big one. Having a Schedule or a SIN does not create demand. Agencies are not awarding contracts because a contractor exists on MAS, they award because the offer demonstrates how it will solve a mission need effectively and efficiently.

This means your narrative must shift from "We are on the Schedule" to "Here is the mission outcome we help deliver."

Contract managers have a central role in shaping that story, not by writing marketing copy, but by ensuring the contract structure, labor descriptions, and past performance align to the results agencies care about.

The strategy forward is not about being everywhere or doing everything.

It is about being intentional, data-informed, and operationally sound.

That's where the competitive advantage will live in this next phase of procurement.

And this is exactly where contract managers become not just administrators of compliance but drivers of strategic success.

Looking Forward: Where Procurement Is Headed

If the trend toward centralized, data-driven acquisition continues, as all indicators suggest it will, the procurement landscape five to 10 years from now will look meaningfully different than it does today.

The contractors who succeed in this next phase will not be those who are simply present on the Schedule; they will be those who are prepared, positioned, and proactive.

We are likely to see fewer standalone agency-specific vehicles and more shared acquisition platforms that prioritize standardization, pricing transparency, and streamlined administration. MAS, OASIS+ (and its successor contract), SEWP, and similar government-wide vehicles will serve as the primary access points to the federal marketplace, especially for common and repeatable requirements.

As we have discussed, this doesn't mean less opportunity, it means more structured opportunity. The days of "being in the right room at the right time" are giving way to a marketplace where data, performance outcomes, and demonstrated value carry the weight.

Relationships will still matter, of course, but they will matter in service of meaningful agency alignment, not just access or familiarity.

The Evolving Role of Contract Managers

As this shift continues, the role of the contract manager will expand far beyond tracking expirations and submitting modifications. Contract managers will become:

- Data interpreters who understand buying patterns and pricing benchmarks.
- Cross-functional partners who collaborate with sales, operations, and finance.
- Strategic advisors who help shape go/no-go decisions and positioning strategies.
- Risk navigators who anticipate

compliance and audit implications ahead of time.

In other words, contract managers will be relied upon not just to maintain contract eligibility but to help guide how and where the business competes. Their work will directly influence capture planning, competitive pricing models, teaming strategies, and overall growth direction.

The contract manager of the next decade is not simply the steward of forms and filings.

They are the keeper of institutional continuity, the translator between regulatory requirements and business strategy, and the person who ensures the company can compete with clarity and confidence.

Looking ahead, success will belong to organizations that:

- Treat compliance as an integrated system, not a reaction.
- Invest in visibility: of spend, of opportunity pipelines, of competitive landscape.
- Empower their contract managers to operate as strategic partners, not administrative processors.

The market is shifting. The question is not if organizations will need to adapt, but how quickly they choose to do so.

Conclusion

The federal marketplace is in a period of meaningful transition – not collapse, not reduction, but reorganization. Centralization, increased transparency, and data-driven decision-making are not temporary policy swings; they are indicators of where acquisition is headed for the foreseeable future.

For contractors, this moment presents both pressure and possibility. The organizations that continue to operate as they always have will feel squeezed by new compliance expectations and shifting procurement pathways. The organizations that lean in, intentionally, strategically, and early, will find themselves better positioned to compete and grow.

The common thread across all of the changes we've discussed is visibility: visibility into pricing, into spend, into performance outcomes, into the total marketplace.

The government is moving toward a model where buying decisions are informed by clearer data and more standardized systems. Contractors must mirror that approach internally if they want to stay ahead of the curve.

This is where the role of the contract manager becomes mission-critical. Contract managers are no longer simply maintaining eligibility, they are shaping how their organization shows up in the federal market. They are translating policy into practice, compliance into capability, and contract structure into competitive advantage. Their influence will only continue to grow.

The future federal market will favor those who:

- Understand their value and communicate it clearly.
- Invest in scalable internal systems.
- Use data to guide capture strategy.
- Build relationships rooted in mission alignment, not convenience.

Change in this space has never been optional, and it certainly isn't now – but it is navigable, and for many, it is advantageous.

The contractors who succeed in this next phase will not be those who are simply present on the Schedule; they will be those who are prepared, positioned, and proactive.

The shift is already happening. The opportunity is in choosing whether to move with it. **CM**

Cristi Suhadolnik serves as Vice President of Capitol 50 Consultants, specializing in GSA Schedules and government-wide contracting strategy. She helps companies navigate the shifting procurement environment and position themselves for sustainable federal growth.

ENDNOTES

1 (The White House, 2025) Executive Order 14240, "Promoting Centralized Procurement of Common Goods and Services," Federal Register, March 2025.
2 (The White House, 2025) White House Office of Management and Budget, "Federal Procurement of Common Items: Spend Analysis Summary," 2024.
3 (The White House, 2013) Office of Management and Budget, Memorandum M-14-03, "Enhancing the Management of Common Information Technology: Category Management," December 2014.
4 (The White House, 2019) Office of Management and Budget, Memorandum M-19-13, "Category Management: Making Smarter Use of Common Contract Solutions and Practices," March 2019.
5 (General Services Administration, n.d.)
6 (Jason Miller, 2025) Department of Homeland Security, "Cancellation of PACTS III Solicitation," Contracting Officer Announcement, August 2025.
7 (Jason Miller, 2025) Ron Fortier, "GSA in negotiations with NASA to take over SEWP contract," Federal News Network, May 2025.
8 (Department of Defense, n.d.)
9 (Justin Siken, 2024) Office of Management and Budget, Category Management Guidance Directive, Section 2(b), 2023.
10 HigherGov, "Competition Metrics: Full-and-Open vs. MAS Procurements," Market Intelligence Report, 2024.
11 (General Services Administration, 2025) General Services Administration, "Transactional Data Reporting (TDR)," GSA Multiple Award Schedule Program Guidance
12 (General Services Administration, 2025) General Services Administration, "GSA Expands Transactional Data Reporting for Smarter Purchasing," News Release June 9, 2025.

ENGAGEMENT OPPORTUNITIES

Get Involved in NCMA

NCMA is always looking for professionals who can inspire, educate, and empower our community of contract managers and acquisition professionals. From global conferences and regional events to webinars and publications, NCMA offers many opportunities to share your expertise and shape the future of the profession.

Teach or Lead an NCMA Training Event

Want to share your expertise in an interactive setting? NCMA offers instructor-led training events, both virtually and in-person, ranging from one-hour sessions to multi-day workshops. If you're looking to increase your visibility as a subject matter expert and give back to the community, propose a course for consideration.

Write for *Contract Management* Magazine

The value of the content in *Contract Management* magazine, NCMA's flagship publication, is the experience and perspective of authors who generously share their insights.

Use the Article Proposal Submission Form available at www.ncmahq.org/contribute to easily submit article proposals for the magazine. NCMA welcomes article proposals, case studies, and research-based submissions that provide practical insights and expand the body of knowledge in contract management.

Call for Event Presentations

Every year, NCMA brings together thought leaders, innovators, and practitioners from across government, industry, and academia. We invite you to submit your ideas and join us on stage to share perspectives that advance contract and acquisition management.

Topics range from emerging technology and policy shifts to practical tools, leadership strategies, and innovative practices. Whether you're an experienced speaker or sharing your insights for the first time, we welcome unique voices and diverse perspectives.

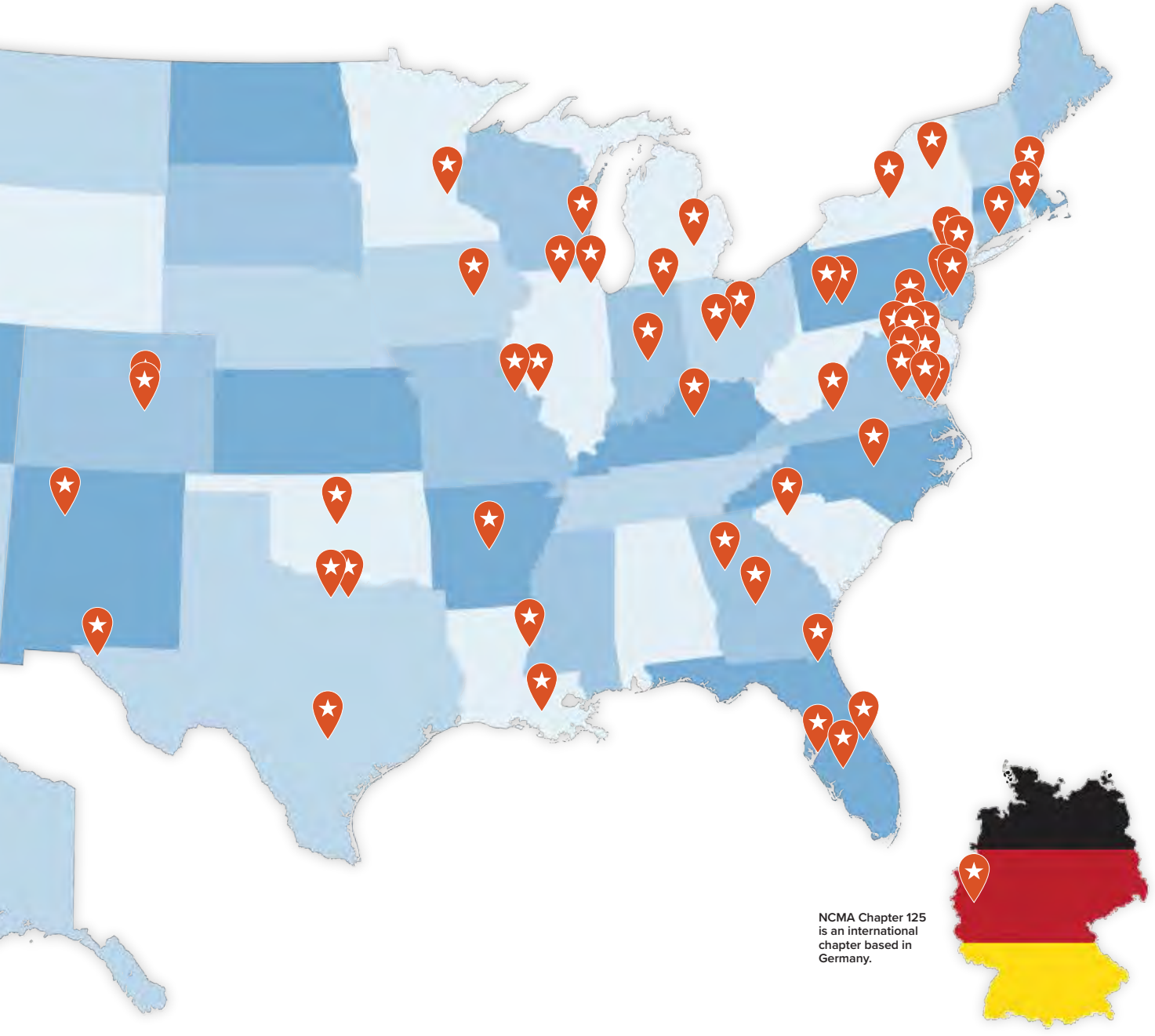
NCMA CHAPTER LOCATIONS

Chapters and Communities of Practice

Connect with professionals who share your interests. Communities of Practice (CoP) such as the Artificial Intelligence CoP offer flexible ways to engage, share insights, and explore key topics in contract management.

Or connect locally across more than 70 NCMA chapters. There's a community of peers out there just waiting for you. Joining NCMA provides a variety of ways to network and interact with fellow buyer and seller practitioners.

Visit the NCMA website to learn more about chapters at www.ncmahq.org/chapters.



NCMA Chapter 125 is an international chapter based in Germany.