



Fact Sheet: President Donald J. Trump Enforces Requirement of Cost-Effective Commercial Solutions in Federal Contracts

ENFORCING COST-EFFECTIVE PROCUREMENT: Today, President Donald J. Trump signed an Executive Order to enforce existing law requiring the Federal Government to utilize the competitive marketplace and the innovations of private enterprise to provide better, more-cost-effective services to the taxpayer.

- The Order directs the administration to prioritize the procurement of commercially available products and services, as required by the Federal Acquisition Streamlining Act of 1994 (FASA), rather than non-commercial, custom products or services.
- It calls for agency contracting officers to review all pending contracts for non-commercial products or services within 60 days and submit proposed waivers justifying their necessity.
 - The waivers must include market research and price analysis to demonstrate why commercial solutions cannot meet the government's needs.
- It directs agencies to submit reports to the Office of Management and Budget (OMB) within 120 days and annually thereafter detailing compliance with FASA and progress on implementing the Order's policies.
- The Order establishes that waivers for non-commercial procurements must be reviewed and approved or denied in writing.

CURBING WASTEFUL EXPENDITURES: President Trump is eliminating unnecessary and imprudent expenditures of taxpayer dollars by requiring government procurement of existing commercial products and services where possible.

- Previous administrations evaded statutory requirements and abused the federal contracting framework by procuring custom products and services where a suitable or superior commercial solution would fulfill the Government's needs.
- This overreliance on custom items increased government spending and caused costly delays to the detriment of American taxpayers.
- Federal agencies are wasting taxpayer dollars on non-commercial solutions that fail to leverage the efficiency and competitiveness of the private-sector marketplace.
- For example, with respect to IT procurement, a 2019 report found that the Federal government could have saved an estimated \$345 billion over the last 25 years if it

had abided by FASA and purchased more commercial off-the-shelf IT solutions, rather than building systems from scratch.

PROMOTING COMMERCIAL SOLUTIONS AND STREAMLINING ACQUISITIONS: President Trump is ensuring government procurement delivers better value to American taxpayers.

- President Trump previously signed an Executive Order to modernize defense acquisitions, including a preference for commercial solutions.
- President Trump also signed an Executive Order consolidating certain federal procurement in the General Services Administration in order to eliminate waste, inefficiencies, and duplication.