

Government Contractors Need to Be Prepared for Significant Reforms to the Federal Acquisition Regulation and Associated Agency Acquisition Supplemental Regulations

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On April 15, 2025, President Trump issued [Executive Order 14275, Restoring Common Sense to Federal Procurement](#) (EO 14275). EO 14275's purpose is to reform the Federal Acquisition Regulation (FAR) and associated agency acquisition supplements, such as the Defense Federal Acquisition Regulation Supplement (DFARS), to contain only provisions required by statute or essential to sound procurement. EO 14275 includes several significant provisions and deadlines that government contractors need to be prepared to address. Many of those are highlighted in this alert.

1. Why was EO 14275 Issued?

On January 31, 2025, President Trump issued [Executive Order 14192, Unleashing Prosperity Through Deregulation](#) (EO 14192), which expressed concern about the “the ever-expanding morass of complicated Federal regulation”, which “imposes massive costs on the lives of millions of Americans, creates a substantial restraint on our economic growth and ability to build and innovate, and hampers our global competitiveness.” To alleviate unnecessary regulatory burdens, EO 14192 established “that for each new regulation issued, at least 10 prior regulations be identified for elimination . . . to ensure that the cost of planned regulations is responsibly managed and controlled through a rigorous regulatory budgeting process.” EO 14192 applies to any regulation issued by any agency in the entire Federal Government.

Building on the concerns expressed in EO 14192, the recently issued EO 14275 related to government procurement further identified regulatory burdens causing inefficiencies in the government contracting process. For example, EO 14275 referenced a 2024 report written by Senator Roger Wicker, entitled “[Restoring Freedom's Forge – American Innovation Unleashed](#),” which advocated for various reforms to be made to Department of Defense procurements. EO 14275 also referenced the [Section 809 Panel's 2019 report](#) on streamlining and codifying acquisition regulations, which recommends various acquisition reforms to leverage the dynamic marketplace, allocate resources effectively, enable the workforce, and to simplify acquisition.

Based on the information contained in these referenced reports and the Trump Administration's goal of reducing regulations overall, EO 14275 establishes that it is the policy of the United States for the

FAR to contain “only provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed.”

2. Who will have responsibility for identifying which FAR provisions are required by statute or are “essential to sound procurement”?

The FAR is a single Government-wide procurement regulation, which is maintained by the FAR Council. The FAR Council was established by Congress “to assist in the direction and coordination of Government-wide procurement policy and Government-wide procurement regulatory activities in the Federal Government.” 41 U.S.C. § 1302(a). The FAR Council consists of the Administrator for Federal Procurement Policy, the Secretary of Defense, the Administrator of NASA, and the Administrator of General Services. Id. § 1302(a). A key mandate of the FAR Council is to “issue and maintain . . . a single Government-wide procurement regulation, to be known as the [FAR].” 41 U.S.C.A. § 1303.

Pursuant to EO 14275, the Administrator of the [Office of Federal Procurement Policy](#) (the Administrator), who also serves on the FAR Council, is required to coordinate with the members of the FAR Council, the heads of agencies, and appropriate senior acquisition and procurement officials from agencies to ensure that the FAR “contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests.”

Additionally, in order to review agency supplements to the FAR, each agency “shall designate a senior acquisition or procurement official to work with the Administrator and the FAR Council to ensure agency alignment with FAR reform and to provide recommendations regarding any agency-specific supplemental regulations to the FAR.”

3. What are the timelines associated with these significant FAR reforms?

The FAR must be amended pursuant to EO 14275 by October 13, 2025, which is within 180 days of April 15, 2025 (the date that EO 14275 was issued).

To assist with the enactment of these reforms, the Director of the Office of Management and Budget (OMB), in consultation with the Administrator, “shall issue a memorandum to the agencies that provides guidance regarding the implementation of [EO 14275].” EO 14275 requires that this memorandum be issued by May 5, 2025, which is 20 days after the order was issued. The memorandum is required to “ensure consistency and alignment of policy objectives and implementation regarding changes to the FAR and agencies’ supplemental regulations to the FAR.” Contractors should watch closely for the issuance of this memorandum that will provide greater clarity on the Trump Administration’s expectations for government procurement.

4. What types of FAR reforms should government contractors expect?

EO 14275 references that “the FAR has swelled to more than 2,000 pages of regulations, evolving into an excessive and overcomplicated regulatory framework and resulting in an onerous bureaucracy.” Accordingly, a major focus of the coming reforms will be to reduce the size and scope of the FAR and associated agency supplements.

The Section 809 Panel’s 2019 report on streamlining and codifying acquisition regulations serves as

a likely predictor of several potential reforms that will receive close attention. The report includes several specific recommendations related to reforms that should be made to the FAR that will likely be closely reviewed by the Administrator and FAR Council when reforming the FAR.

While EO 14275 eliminates several regulations, it will be interesting to watch how its provisions also align with new regulations imposed by other executive orders impacting government procurement. For example, [as we wrote about in a prior alert](#), Executive Order 14222 requires the creation of a new public database that must record every government payment issued by an agency under a government contract, along with a written justification for the payment, regardless of the size or type of the payment. These written justifications add an extra task for contracting officials and contractors, which may be inconsistent with the Administration's goals to streamline acquisitions.

The devil will be in the details for how the FAR is amended, but contractors should be aware that the primary regulatory scheme that governs their businesses is about to change significantly.

CONCLUSION

Government contractors should closely review [EO 14275](#) and should further pay attention to the additional memorandums and directives that will be issued as a result of that order.

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