

OMB Issues Additional Guidance on Consolidating Procurement Activities at GSA

Cozen O'Connor

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On July 18, 2025, the director of the Office of Management and Budget (OMB) issued Memorandum M-25-31. The Memorandum provides additional guidance on the consolidation of federal procurement activities pursuant to the policies and directives announced in Executive Order 14240, “*Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement*,” dated March 20, 2025. The focus of this effort is to consolidate purchases of common goods and services in the General Services Administration (GSA) to streamline acquisition and eliminate waste and duplication in these procurement actions.

The Memorandum also includes an appendix providing specific guidance on procedures federal agencies should use to identify acquisitions for common goods and services that are appropriate candidates for procurement consolidation at GSA. The appendix also references prior administration guidance (Memorandum M-19-13) to help leverage the U.S. Government’s buying power to achieve savings and reduce the number of procurement actions in common categories of spending (as listed in an attachment to the Memorandum).

This new Memorandum lists factors that agencies should consider in determining whether to consolidate, and directs agencies to give priority attention to requirements that:

1. do not vary based on the mission of the agency;
2. involve highly commercialized products and services acquired without any customization;
3. are easy to standardize; and
4. allow for the achievement of economy and efficiency through reduced variation in offerings and services.

Procurements that are less suitable for consolidation are requirements that:

1. are similar across agencies, but exact needs differ from one agency to another and may require some customization; and
2. are of a sufficiently complex or mission-specific nature where contract performance is likely to involve ongoing engagement between buying and program offices.

For contracts where increased use of centralized contracts is appropriate, the Memorandum states that common sense dictates the use of existing government-wide contracts for purchases of these common goods and services. The Federal Acquisition Regulatory Council (FAR Council), which oversees the FAR and develops modifications thereto, will also develop model deviation text to FAR 8.004 that would require federal agencies to use an existing contract vehicle if there is a commercial product meeting the agency’s requirements available on an existing government-wide contract. Within 30 days after revised FAR guidance is issued, agencies are expected to issue deviations to implement the guidance. The Memorandum also describes a process by which specific government-wide contract managers will identify new opportunities for centralized contracting over the next 60 days. Whether these deadlines are met remains to be seen.

The Memorandum also identifies six considerations that OMB and GSA will take into account to evaluate the suitability of transitioning procurement activity to GSA:

1. Capacity Assessment
2. Cost Efficiency
3. Risk Management
4. Performance Monitoring (GSA Measuring & Reporting)
5. Service Level Agreements (SLAs)
6. Budget Impacts

Notably, an attachment to the Memorandum, entitled “Fiscal Year 2024 Total Spend in Categories of Common Goods and Services,” identifies ten categories of common goods and services representing \$488.9 billion in FY 2024 federal spending:

1. Facilities & Construction;
2. Information Technology;
3. Professional Services;
4. Human Capital;
5. Medical;
6. Security and Protection;
7. Travel;
8. Industrial Products & Services;
9. Office Management; and
10. Transportation & Logistics Services.

While some of these categories appear to be reasonable candidates for consolidation (such as Office Management and some Industrial Products and Services), other categories (such as Professional Services, Facilities & Construction, and Human Capital) are more likely to involve complex requirements that are less likely to be satisfied by existing commercial or government-wide solutions.

While we continue to find this effort to consolidate procurement of certain goods and services laudable and consistent with other efforts to streamline federal procurement (including the ongoing overhaul of the FAR)(see our prior discussion here), the challenge likely lies with selecting the right procurements, goods and services, for consolidation treatment without jeopardizing the overall mission of the procurement. There is little doubt that efficiencies will flow from the use of existing government-wide contracts for certain common goods and services, and we will closely monitor further developments in this area.