



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

April 17, 2026

M-26-12

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Russell T. Vought
Director

SUBJECT: Increasing the Acquisition of Commercial Products and Services

On April 15, 2025, President Trump issued Executive Order 14271 (the Order), *Ensuring Commercial, Cost-Effective Solutions in Federal Contracts*, which reaffirms and reinforces the policy that agencies shall procure commercially available products and services, including those that can be modified to fill agencies' needs, to the maximum extent practicable, including pursuant to the Federal Acquisition Streamlining Act (FASA). The appendix to this memorandum provides guidance addressing the Order's requirement for reporting to the Office of Management and Budget (OMB), addresses additional steps to promote aggressive leveraging of the commercial marketplace, and explains the process for voluntary consulting with OMB during the agency's acquisition planning for non-commercial products and services.

For more than three decades, FASA has required federal buyers to give a preference to commercial products and services and Part 12 of the Federal Acquisition Regulation (FAR) has set forth supporting policies to facilitate broad access to the commercial marketplace. In addition, agency competition advocates have long been responsible for promoting the acquisition of commercial products and commercial services. Despite this clear direction, in FY 2024, more than two-thirds of total federal contract spending reported by agencies in the Federal Procurement Data System (FPDS) was for non-commercial products and services. This includes more than \$130 billion of non-commercial contracting for common services, such as professional support services, information technology and telecom services, and operation of facilities, much of which was acquired using cost-reimbursement contracts that often allow undefined deliverables that increase the Government's exposure to loss.

To stop the wasteful expenditure of taxpayer dollars on costly custom products where a suitable or superior commercial solution could meet the Government's needs, the Order required agencies to conduct a review of all open agency solicitations, pre-solicitation notices, solicitation notices, award notices, and sole-source notices issued on or after April 15, 2025, where non-commercial

products or services are contemplated. The agency's senior procurement executive (SPE) was directed to:

- Assess recently awarded and in-process acquisitions for non-commercial products and services for compliance with FASA, including the sufficiency of the market research and price analysis provided in support of the procurement of non-commercial products or services;
- Make appropriate recommendations to advance the solicitation of commercial products or services where those products or services would be sufficient to serve the applicable procurement need;
- Establish procedures requiring SPE review and approval whenever an agency is seeking to solicit a non-commercial product or service; and
- Submit a report annually to OMB describing the agency's ongoing compliance with FASA and its progress toward implementing the policies of the Order.

The attached guidance outlines ongoing steps for significantly increasing the acquisition of commercial products and services, consistent with the Order. Agencies should act expeditiously to implement these important stewardship actions.

Appendix

Appendix: Guidance to Implement Executive Order 14271
Ensuring Commercial, Cost-Effective Solutions in Federal Contracts

Agencies must take the following actions to strengthen their management and oversight of decision-making associated with the acquisition of commercial products and services.

1. REPORTING

A covered agency¹ should submit a report to OMB by May 4, 2026, that provides the following information. The reporting should not include any source selection sensitive information.²

A. *Recent awards for non-commercial items*

- i) State the total value and number of noncommercial contracts awarded on or after April 15, 2025, through September 30, 2025, by product service code (PSC);
- ii) Provide a list of Procurement Instrument Identifiers (PIIDs) associated with each award identified in (i); and

- iii) For any award covered in (i) over \$10 million, provide:

- A. The PIID, a description of the requirement, type of contract pricing, and total contract value, including base and all options;
- B. The date of the next contract option; and
- C. Action planned by the SPE as a result of the review; and
- D. An explanation if a shift to a commercial solution is not planned at the next contract option, making references to market research and price analysis that support the conclusion to remain with the non-commercial solution.

B. *Acquisition Planning for near-term awards for non-commercial items*

- i) State the total number of all open (pre-award) actions for non-commercial products or services that were in process³ on or after April 15, 2025, and were initiated by

¹ A covered agency is an executive department, a military department, or any independent establishment within the meaning of 5 U.S.C. 101, 102, and 104(1), respectively, and any wholly owned Government corporation within the meaning of 31 U.S.C. 9101(c).

² Agencies that have previously provided transactional reporting to OMB should submit an updated report that conforms to the requirements of this memorandum. Follow-on guidance will be provided to address future annual reporting.

³ For purposes of this memo, a pre-award procurement action is “in process” if one or more of the following steps in the acquisition lifecycle have occurred: substantial market research has been

March 31, 2026; and

- ii) For each action covered by (i) with an estimated value over \$10 million, provide:
- A. A description of the requirement, planned contract type, and the Government's independent cost estimate;
 - B. A description of the action planned by the SPE as a result of the review; and
 - C. If a commercial solution is not planned, the SPE's explanation of why the market research and other factors justify the agency's determination to purchase a non-commercial solution.

C. *Future procurements*

Describe internal mechanisms put in place, including guidance, to ensure any future planned award of a non-commercial award is reviewed by the SPE.

Agencies should submit their report using the template provided in MAX at <https://community.connect.gov/x/2gqyo>.

2. STRENGTHENED RESPONSIBILITIES OF THE AGENCY COMPETITION ADVOCATE

To ensure sufficient agency leadership attention is being given to maximizing acquisition of commercial products and services, agencies must confirm that the policy official serving as the competition advocate is at a level not lower than the head of the contracting activity or deputy SPE. Agencies should submit the name, position title, and contact information of the competition advocate into the MAX template identified above by May 4, 2026.

The competition advocate should support activities associated with the successful implementation of the Order, that include, at a minimum, the following:

- Making recommendations to the SPE on improvements to internal policies and practices for maximizing commercial buying, such as by centrally collecting and sharing market research, supporting efficient commerciality determinations – including the manner by which the government reviews the prime contractor's evaluation of its subcontractors' commerciality determinations – best practices for determining price reasonableness, leveraging innovative buying practices built

conducted, a pre-solicitation notice, solicitation notice, or open solicitation has been issued; an award notice or sole source notice has been issued (but contract not yet awarded).

around proven commercial practices, and guarding against the unnecessary use of cost-reimbursement contracts that preclude application of FAR Part 12 commercial buying policies;

- Working with the agency's acquisition innovation advocate and category management lead to support implementation of the deviation to streamline FAR Part 12 in accordance with E.O. 14275, Restoring Common Sense to Federal Procurement, and OMB Memorandum M-25-26, Overhauling the Federal Acquisition Regulation;⁴
- Coordinating with the agency's small business director on opportunities to lower barriers to entry for commercial providers and encourage the participation of new entrants offering commercial solutions, such as by improving the quality, timeliness, and access to agency forecast information from a centralized access point;
- Working with the Procurement Committee on E-Government (PCE) to review and make appropriate improvements to current data collection protocols associated with tracking acquisitions of commercial products and services in FPDS; and
- Supporting the SPE in developing annual progress reports to OMB on strengthening compliance with FASA's commercial buying preference.

OFPP will convene the competition advocates to share best practices and lessons learned from federal organizations that facilitate increased commercial buying, such as the Defense Contracting Management Agency's Commercial Buying Group and chart the course for future reporting and additional steps to implement the Order.

3. IMPROVED DATA COLLECTION AND BENCHMARKING

OFPP will work with the PCE, in coordination with agency competition advocates, to review opportunities to improve tracking of commercial product and services buying in FPDS, and with GSA to evaluate how best to baseline and benchmark agency acquisitions of commercial products and services.

4. CONSULTATION WITH OMB

Pursuant to section 5(b) of the Order, an agency contemplating the solicitation of a non-commercial product or service may seek the input of OMB, including the policy input of OFPP. If the agency seeks consultation, the SPE (without delegation) or higher-level official may submit a request to MBX.OMB.OFPPv2@OMB.eop.gov. The email line should read "Request

⁴ Under the Revolutionary FAR Overhaul, each FAR part is being streamlined back to its statutory roots and non-statutory rules that are essential to sound procurement. Best value decision-making is being supported with government-wide non-regulatory guidance, such as guides with discretionary best practice practitioner tips for implementing the FAR and tools specific to the different product and service areas tracked by category management. Go to the [Revolutionary FAR Overhaul website](#) for updates on the status of FAR Part 12.

for consultation on planned non-commercial acquisition.” Before sending the request to OMB, the SPE must obtain the concurrence of the senior non-career official responsible for acquisition within the agency, which typically is the Chief Acquisition Officer (CAO). The request, which should be submitted prior to the release of the solicitation, should include the following information:

- a) A description of the requirement, planned contract type, estimated contract value or expected award amount and planned duration of the contract;
- b) An explanation of how the requirement supports the agency’s mission;
- c) A description of the market research conducted to find suitable commercial products and/or services and a detailed explanation of why the requirement cannot be met with a commercial solution;
- d) Identification of whether the requirement will be competed and, if not, which exception to competition will be used and why;
- e) A description of the analysis conducted to develop the independent government cost estimate and why the agency believes a fair and reasonable price can be achieved with a non-commercial solution;
- f) An explanation if contract length is expected to exceed 3 years;
- g) An affirmative statement that the contemplated award of a non-commercial contract is supported by the senior non-career official responsible for acquisition in the agency, or other non-career official equivalent in rank to the CAO; and
- h) The name and title of the highest-level program official supporting the award of a non-commercial contract.

Additional information may be sought on a case-by-case basis, such as a copy of the draft solicitation and statement of work. The agency should provide OMB not less than 15 days for review.