5 Areas Contractors Should Watch After 1st 100 Days

By **Joseph Berger, Chip Purcell and Amaiya Johnson** (April 30, 2025)

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In its first 100 days, the second Trump administration initiated fundamental transformations that have brought disruption and upheaval to the field of government contracting, and challenges in the form of budget cuts, contract reviews, terminations and workforce reductions.

In the area of aerospace and defense contracting, the administration has also signaled important sources of stability and support for American technology leadership and the domestic industrial base, as the global technology race continues to accelerate. Federal agencies, including the U.S. Department of Defense, U.S. Department of Energy and NASA, and their contractors, are key to U.S. leadership amid technology competition from rival nations.

At the same time, the administration's far-reaching regulatory reforms initiated by executive orders are intended to make government contracting more efficient and cost-effective for commercial companies and the government, and to achieve better results for the American people.[1]

To what future developments will the first 100 days lead? Here are five areas to watch.

1. Far-Reaching Reform for the FAR

On April 15, the president directed the comprehensive reform and rewrite of the Federal Acquisition Regulation by issuing Executive Order No. 14275 on federal procurement[2] that the General Services Administration website terms a "revolutionary FAR overhaul."[3]

Under the order, it is the administration's policy to remove unnecessary regulations while allowing for the expansion of the national and defense industrial bases. It provides that the FAR should contain only those provisions required by statute or "essential to sound procurement."

The administrator of the Office of Federal Procurement Policy, or OFPP, in coordination with the Federal Acquisition Regulatory Council, agency heads and senior acquisition officials, must take actions to amend the FAR within 180 days of the order — by Oct. 12 — to ensure that it contains only provisions that are required by statute or "necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests."

Agencies must align agency regulations to the streamlined FAR. The OFPP and the FAR Council will issue interim guidance before final rules are published.[4]

The White House also issued a guidance memorandum on April 9, providing that agencies may use the Administrative Procedures Act's just-cause exception to repeal regulations without ordinary notice-and-comment procedures.[5]

The reform process will result in the biggest changes to the FAR since it was implemented more than 40 years ago. Some regulations in the FAR provide rights and protections to the government, and others provide rights and protections to its contractors.

The large-scale removal of significant portions of the FAR may have unpredictable effects on agencies and contractors, in addition to reducing regulatory burdens.

The regulatory reduction effort will likely include a focus on the extensive solicitation provisions and contract clauses that the FAR requires be incorporated into prime contracts, and flowed down to subcontractors via FAR Part 52 and supplemental agency regulations.

These clauses, often incorporated by reference, are most complicated and far-reaching in noncommercial contracts. This is especially true for defense, energy and space-related contracts with the DOD, DOE and NASA, which have their own extensive agency clauses.

The net result of this reform will be significant for these noncommercial contract clauses, which will become fewer in number and less complex, and impose fewer regulatory requirements.

The performance requirements in government contracts themselves may still be extensive and complex, but the additional regulatory burdens will be reduced.

While undertaking this effort, the OFPP, the FAR Council and agency reformers should be cautious to preserve those regulations and clauses that may be critical to protecting the rights of both the government and its contracting partners, and to the missions that are implemented by agency contracts.

Ultimately, FAR reform should result in a faster, more efficient procurement system for all agencies, their contractors and the government missions.

2. Commercial Contracting

On April 15, the president also signed Executive Order No. 14271, setting the administration's policy that, as required by existing statutes, agencies must procure commercially available products and services to the maximum extent practicable, including those that can be modified to meet agency needs.[6]

Going forward, whenever an agency proposes to solicit a noncommercial product or service, the contracting officer must provide the agency's approval authority with the specific reasons that a noncommercial product or service is required.

The approval authority will review, and approve or deny, the proposal in writing. Similar requirements are imposed on currently pending actions.

Agencies must provide an annual report on their compliance with the preferences for commercial products and services established by the Federal Acquisition Streamlining Act.

These requirements mean that going forward, even without reform of the FAR, there will be fewer noncommercial solicitations and contracts, and more commercial procurements that are only subject to the minimum regulatory requirements and FAR clauses.

These requirements will apply to the DOD, the DOE, NASA and other agencies that historically have relied heavily on noncommercial contracts for unique and complex government missions.[7]

These requirements also mean there may be fewer cost-reimbursement contracts, which are limited by the FAR in the context of commercial contracts — which in turn are generally subject to fixed-price arrangements.

The new procedures are complementary to the FAR reform effort, and should also make contracting more efficient for agencies.

Even commercial contracts and subcontracts will be subject to fewer requirements and clauses as a result of the pending FAR reform. This will make it easier for commercial companies to participate in government procurement, including in the defense and space arenas, where regulatory requirements are often the most complicated.

3. Modernizing Defense Acquisitions

On April 9, the president signed Executive Order No. 14265, calling for a comprehensive overhaul of the defense acquisition system to strengthen the military's edge in advanced technologies and state-of-the-art capabilities.[8]

This order recognizes that America's defense industrial base is central to U.S. military capabilities, and that the "defense acquisition workforce is a national strategic asset that will be decisive in any conflict."

The order says it is the policy of the administration to accelerate defense procurement; to revitalize the defense industrial base; and to "rapidly reform our antiquated defense acquisition processes with an emphasis on speed, flexibility, and execution."

These goals have been pursued over many administrations, and through the annual National Defense Authorization Act. This latest effort should be able to effectively capitalize on reforms already in place.

The order requires the defense secretary to submit to the president a plan for reforming the DOD acquisition processes that includes:

1. A "preference for commercial solutions and a general preference for Other Transactions Authority, application of Rapid Capabilities Office policies,[9] or any other authorities or pathways to promote streamlined acquisitions under the Adaptative Acquisition Framework";[10]

2. A "detailed process review of each functional support role within the acquisition workforce to eliminate unnecessary tasks, reduce duplicative approvals, and centralize decision-making"; and

3. A detailed process of risk management for acquisition executives through the DOD's configuration steering boards, which manage cost and schedule impacts.[11]

These reforms recognize and rely on the DOD acquisition workforce's critical role and specialized capabilities. For example, the use of certain commercial solutions and Other Transaction Authority is an effective way to reduce regulatory burdens, but these procedures are subject to existing statutory requirements that must be applied appropriately by the workforce.

The defense secretary will also oversee a review to eliminate or revise any unnecessary supplemental regulations, including relevant parts of the Financial Management Regulation and Defense Federal Acquisition Regulation Supplement. This effort will overlap with revisions of the FAR, and may significantly reduce both DFARS regulations and the complex clauses that apply to defense contracts.

Within 120 days — by Aug. 7 — the secretary must submit to the president a plan to reform, right-size and train the acquisition workforce, including an analysis of staff levels, field-training teams and tools to incentivize innovative acquisition authorities.

This aspect of the order also recognizes the critical role of the acquisition workforce, and the need to not only protect it from upheaval, but to improve its capabilities.

Within 90 days — by July 8 — the secretary must complete a comprehensive review of all major defense acquisition programs. Any program that is more than 15% behind schedule, 15% over cost, unable to meet key performance parameters or unaligned with the DOD's mission priorities will be considered for potential cancellation, in coordination with the Office of Management and Budget.[12]

This review will be followed by a review of all remaining major systems.[13] These reviews will encompass many defense programs, including the biggest and most important programs, and herald future program adjustments likely to reflect changes in administration priorities, budget constraints and disruption from cutting-edge technologies.

4. Shipbuilding and the Maritime Industrial Base

On April 9, the administration also released Executive Order No. 14269 on American maritime dominance, seeking to revitalize and recharge the commercial and military shipbuilding and maritime industries.[14]

This order establishes a comprehensive approach to federal funding, shipbuilding, making U.S.-built and U.S.-flagged vessels commercially competitive, rebuilding America's maritime manufacturing capabilities and maritime industrial base, and strengthening the shipbuilding workforce.

The order directs dozens of actions in support of these goals. Among them are improvements to procurement efficiency for federal vessel procurement, and use of the Defense Production Act to expand the maritime industrial base, including commercial and defense shipbuilding capabilities and supply chains. The order, combined with potential legislation, will propel both public and private investment in shipbuilding.

This order signals a shift in federal investment towards shipbuilding and U.S. leadership in international maritime commerce, which will rely on a combination of the federal workforce, the private sector and maritime industrial base, and government contracting for shipbuilding and related maritime industrial specialties.

The shipbuilding industry should expect an expansion of demand, combined with a reduction in regulatory barriers.

5. Defense and Aerospace Priorities

The Golden Dome

On Jan. 27, the president signed Executive Order No. 14186 on missile defense to address the threat facing the U.S. from next-generation ballistic, hypersonic and advanced cruise missiles from foreign states and rogue adversaries.[15]

The order requires an implementation plan for a next-generation missile defense shield, dubbed a "golden dome" by the president, that would include space-based sensor and interceptor capabilities. The order also seeks to increase bilateral and multilateral cooperation on missile defense technology capabilities and operations.

Air Dominance

On March 21, the administration announced the award of the U.S. Air Force contract for development of the Next Generation Air Dominance, or NGAD, platform, and the first sixth-generation fighter aircraft, dubbed the F-47. In the Oval Office, the president described the NGAD contract as "a historic investment in the country's defense industrial base, keeping the U.S. on the cutting edge of aerospace technology."[16]

A similar award by the Navy is expected soon. The NGAD platform is a networked family of systems including drone technology, and these awards highlight the role that advanced technology will play in all major DOD programs.

Foreign Defense

On April 9, the administration also issued Executive Order No. 14268 on foreign defense sales, with the purpose of maintaining the world's most technologically advanced military, strengthening the domestic defense industrial base and supporting a robust network of capable partners and allies.[17]

This order will reform the foreign military sales and direct commercial sales programs within existing laws, with the goal of improving efficiency, accountability and transparency in the foreign defense system. The order's focus on domestic capabilities demonstrates again that the administration seeks to maintain the strength of the domestic industrial base.

To the Moon and Mars

NASA also continues important preparation for the Artemis II test flight, scheduled for April 2026, which will be NASA's first crewed mission under the Artemis program.[18] The Artemis campaign to explore the Moon will bring future scientific discoveries and economic benefits, and eventually provide a foundation for the first crewed missions to Mars, while maintaining U.S. leadership in space exploration and technology.

In a press release on the 100th day of the new administration, NASA listed a streak of impressive accomplishments during that time in crewed, commercial and scientific missions, and Artemis milestones.[19] While also facing budget constraints and potential policy shifts, NASA's programs, including Artemis, remain essential to U.S. leadership in the technology space race.[20]

Conclusion

The first 100 days of the Trump administration have brought many challenges to government contractors, and to the agencies and acquisition workforce they contract with.

These challenges are governmentwide, but there are important areas of relative stability and evolving opportunities for the U.S. domestic industrial base, including in defense, aerospace, shipbuilding and advanced technologies.

While the DOD, the DOE and NASA have been subject to workforce reductions, budget reviews and contract terminations, their overall missions remain critical to national security and the domestic economy, and key to U.S. leadership in the global technology race.

But they can only achieve their missions through their acquisition workforce, their contracting partners in the U.S. industrial base and the legal authorities that govern the effective regulation of U.S. government contracts, all of which will continue to be critical and essential to the government's mission success.

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[1] See https://www.federalregister.gov/presidential-documents/executive-orders/donald-trump/2025.

[2] Executive Order No. 14275, "Restoring Common Sense to Federal Procurement," April 15, 2025.

[3] According to GSA, "this initiative will return the FAR to its statutory roots, rewritten in plain language, and remove most non-statutory rules. In addition, non-regulatory buying guides will provide common sense thought, but will remain outside the FAR. The goal is clear: faster acquisitions, greater competition, and better results."
See https://www.acquisition.gov/content/revolutionary-far-overhaul.

[4] The Director of the OMB will also, within 20 days of the order, issue a memorandum to agencies to provide guidance on implementation of the FAR reform.

[5] Presidential Memorandum, "Directing the Repeal of Unlawful Regulations," April 9, 2025 ("agency heads shall finalize rules without notice and comment, where doing so is consistent with the "good cause" exception in the Administrative Procedure Act. That exception allows agencies to dispense with notice-and-comment rulemaking when that process would be 'impracticable, unnecessary, or contrary to the public interest.'").

[6] Executive Order No. 14271, "Ensuring Commercial, Cost-Effective Solutions in Federal Contracts," April 16, 2025.

[7] NASA has also demonstrated the effectiveness of commercial contracting with its longstanding strategy of support for commercial partners, leading to dramatic new capabilities in launch services, low Earth orbit and exploration to the moon. The success of NASA's commercial model illustrates why other agencies need a similar strategy that fully embraces the capabilities of the U.S. commercial sector, as an integral part of greater governmental missions. Another good illustration of the imperative to contract on a

commercial basis is the U.S. Space Force Commercial Space Strategy released last year, which recognizes that commercial solutions are essential to the Nation's ability to keep pace with rival global powers.

[8] Executive Order No. 14265, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base," April 9, 2025. See also Daniel Wilson, Law360, "Trump Order Calls for Faster, More Flexible Defense Contracts," April 10, 2025.

[9] Rapid Capabilities Offices for the military branches employ accelerated methods for developing, acquiring and fielding critical capabilities and technologies.

[10] The Adaptive Acquisition Framework, governed by DOD Instruction 5000.02, supports the Defense Acquisition System through streamlined acquisition pathways. See https://aaf.dau.edu/.

[11] Configuration Steering Boards review potential requirements changes with cost and schedule impacts. See https://www.dau.edu/glossary/configuration-steering-board.

[12] A White House fact sheet listed examples of programs behind schedule, including the new Air Force One (five years behind schedule); Navy ship programs between one and three years behind schedule; the first flight of the Air Force's new ICBM Sentinel, two years behind schedule; and in-port overhaul of the aircraft carrier USS John C. Stennis, a year behind schedule. White House Fact Sheet, "President Donald J. Trump Modernizes Defense Acquisitions and Spurs Innovation in the Defense Industrial Base," April 9, 2025.

[13] The Secretary must also review the Joint Capabilities Integration and Development System, with the goal of streamlining acquisition. JCIDS is a process for identifying, assessing, and prioritizing joint military capability requirements.

[14] Executive Order No. 14269, "Restoring America's Maritime Dominance," April 9, 2025. The order states "The commercial shipbuilding capacity and maritime workforce of the United States has been weakened by decades of Government neglect, leading to the decline of a once strong industrial base while simultaneously empowering our adversaries and eroding United States national security. Both our allies and our strategic competitors produce ships for a fraction of the cost needed in the United States."

[15] Executive Order No. 14186, "The Iron Dome for America," January 27, 2025.

[16] Matthew Olay, DOD News Release, "Trump, Hegseth Announce Air Force's Next Generation Fighter Platform," March 21, 2025.

[17] Executive Order No. 14268, "Reforming Foreign Defense Sales to Improve Speed and Accountability," April 9, 2025.

[18] "NASA's First Flight With Crew Important Step on Long-term Return to the Moon, Missions to Mars," April 8, 2025 ("Astronauts on their first flight aboard NASA's Orion spacecraft will confirm all of the spacecraft's systems operate as designed with crew aboard in the actual environment of deep space. Through the Artemis campaign, NASA will send astronauts to explore the Moon for scientific discovery, economic benefits, and to build the foundation for the first crewed missions to Mars – for the benefit of all."). Available at https://www.nasa.gov/mission/artemis-ii/.

[19] See https://www.nasa.gov/news-release/nasa-soars-to-new-heights-in-first-100-days-

of-trump-administration/.

[20] See Nadia Dreid, Law360, "NASA Nom Quizzed On Musk And Colonizing The Moon," April 9, 2025 (describing confirmation hearing for NASA administrator Jared Isaacson, who said to senators, "as a space enthusiast, I'd like nothing more than to see a number of lunar outposts and Mars outposts and for us to even progress farther out into our solar system ... if we are in a budgetary environment where we can maintain an ongoing presence on the lunar surface, I am more than supportive of it.").