



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Russell T. Vought
Acting Director

SUBJECT: Buying for America

Through smart buying for America, we will deliver the services our citizens need more rapidly while strengthening our nation's economic recovery from the effects of the pandemic. The Federal Government is the largest and single-most impactful buyer in the world. In Fiscal Year 2019, federal buying offices across the Nation spent more than a half trillion dollars for products and services – almost half of our discretionary budget. The government transacted with nearly 130,000 entities, two-thirds of which are small businesses, for a wide range of needs, from defense and construction to information technology (IT), health care, professional services and transportation and logistics. More than 90 percent of the products purchased were U.S.-made.

The fourth quarter of each fiscal year (FY) is typically the busiest period for our country's buying offices, with up to 40 percent of total contract spending occurring during this three-month period. This year is no different. As the country reopens and recovers from the coronavirus (COVID) pandemic and our public servants work to meet mission needs – both non-COVID and COVID related – agencies are encouraged to keep the following considerations in mind to support timely awards and maximize return on investment from each taxpayer dollar.

- **Take full advantage of acquisition flexibilities and innovative tools.** This week, the President's Management Agenda unveiled a new cross-agency priority goal (CAP Goal) on "frictionless acquisition." This CAP Goal creates a management platform to leverage modern buying strategies that have been shown to achieve just-in-time delivery with improved customer satisfaction and enable access to a broader and more innovative suite of companies and solutions. Agencies can review the resources on acquisition innovation and opportunities for collaboration by going to the frictionless CAP Goal on performance.gov.
- **Use the resources of category management.** As part of the ongoing transformation of federal acquisition, procurement involving common needs has been organized around categories of spending led by market experts who share business intelligence and help agencies avoid duplicative contracting work. This business structure has saved taxpayers more than \$27 billion since FY 2016 and made it much easier for buyers to make rapid, well-informed decisions on how best to acquire IT hardware, security, consulting services and many other everyday needs that account for more than half of all contract spending. To stay

current with market trends and available federal solutions, agencies should bookmark the category management dashboards on the acquisition gateway at <https://hallways.cap.gsa.gov/app/#/>.

- **Leverage small businesses, the AbilityOne Program, and Historically Black Colleges and Universities (HBCUs).** Small businesses are the engine of the American economy and are responsible for bringing some of the most innovative solutions into the federal market space. With the dedicated support of agency small business directors, we continue to meet our small business goals and emphasize the importance of meeting our goals for small disadvantaged businesses, women-owned small businesses, service-disabled veteran owned small businesses and HUBZone small businesses. Meeting goals translates to creating new jobs in the economy. We urge agencies to work with their small business directors to take advantage of authorities that provide effective access to small businesses so we can meet and exceed our goals in FY 2020.

The AbilityOne Program is one of the largest U.S. employers of people who are blind or have severe disabilities. By leveraging the federal acquisition system, AbilityOne and its network of nonprofit organizations provide approximately 45,000 jobs for this underemployed segment of our economy. Over the last three years, federal contract spending through the AbilityOne Program has increased by nearly 18% to an all-time high of \$3.9 billion in FY19, contributing to the creation of about 2,000 new full-time positions over this same period. Agencies should remain diligent in their use of the AbilityOne Program for the many products and services for which it is a mandatory source, ensure our prime contractors do the same when they furnish supplies and services, and explore new areas to apply their talents.

HBCUs have made extraordinary contributions to the general welfare and prosperity of our country. Building on the White House initiative established by E.O. 13779 to increase HBCU involvement in federal programs, agencies are encouraged to work with their small business directors on strategies for increasing HBCU participation in government contracting. HBCUs have helped our country make important headway in myriad academic disciplines, and they can be deemed uniquely qualified to provide solutions for the African American community, especially for requirements related to public health. The National Institutes of Health has developed and plans to deploy a database in the near future to facilitate information sharing that can promote HBCU involvement in federal acquisition awards.

- **Buy American.** E.O. 13881 strengthens the general preference for American-made goods and, for the first time in 65 years, increases the percentage of U.S. manufactured content that must be in a product to qualify for the preference, including a very high standard for iron and steel. Agencies are encouraged to work with the Federal Acquisition Regulatory Council (FAR Council) to consider early implementation, as appropriate, while the rulemaking process proceeds.
- **Accelerate payments for all businesses.** Currently, agencies are required to provide accelerated payments, to the fullest extent permitted by law, with a goal of 15 days after receipt of a proper invoice and all other required documentation. Agencies are encouraged,

as they are able, to extend this goal to medium and large businesses during the pendency of the fight against COVID-19. In addition, agencies should consider early implementation of section 873 of Public Law 116-92 (which the FAR Council is working to implement) to provide for accelerated payments to small business subcontractors where the government has accelerated its payment to the prime contractor.

Agencies can use their remaining fiscal year balances to boost America's economic recovery and to jump-start mission performance by emphasizing these smart buying practices.