

Department of War Announces Broad Acquisition Reform Initiatives

Client Alerts

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By: Moshe B. Broder, David Robbins, Noah B. Bleicher, Matthew L. Haws

On November 10, 2025, the Secretary of War released three memoranda and an acquisition reform strategy directing systemic reform across the defense acquisition landscape. The overarching theme of these reform initiatives is moving with urgency, prioritizing the integration of innovative capabilities, and accelerating a preference for commercial contracting.

The Department of War (DoW) affirmed its commitment to expanding the industrial base to new market entrants and non-traditional vendors to counter decades-long market consolidation. To address variable demand cycles, the DoW promised to award bigger and longer contracts which the DoW hopes will enable greater confidence in the return on capital investment.

The DoW also intends to reform the arms transfer and security cooperation process to reduce regulatory and process bottlenecks, increase transparency, and more efficiently deliver defense articles and services to US allies and partners. Some of these acquisition reform initiatives have been discussed in recent years, including by the Section 809 panel.

These reform directives call for implementation plans to be drafted and approved by the Secretary of War over the coming months.

We are tracking several potential significant policy shifts that may impact daily operations for government contractors:

- **Increased use of Other Transaction (OT) and commercial agreements.** As part of the re-emphasized preference for commercial contracting, and consistent with the Trump Administration's focus in this area, the Department intends to provide targeted guidance, training, and resources on "the effective use of Commercial Solutions Offerings (CSOs), other transactions, and related agreements, commercial acquisition, and rapid contracting practices." At the same time, the DoW will continue to require "high cybersecurity standards" in IT acquisitions, an ongoing compliance challenge industry wide. If implemented, this preference could help avoid seemingly burdensome frameworks and tap into innovative offerings but could also limit transparency by foregoing competition and reduce oversight of contractor costs.

- **Overhauling and reducing acquisition regulations.** The DoW is currently conducting a complete overhaul of the Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) with the goal of keeping only “vital” regulations and increasing the velocity of contracting actions. The DoW is particularly focused on limiting the applicability of the Truth in Negotiations Act (TINA), a requirement imposed on contractors to submit accurate cost or pricing data under contracts exceeding a specific cost threshold.
- **Bid protest reform.** The DoW announced that it will advocate for legislative change to reform the bid protest process in the hopes of discouraging “frivolous” bid protests and accelerating processing and adjudication. This reform would include a “loser pay” provision subject to certain conditions, namely: a protest filed by an incumbent contractor that is “dismissed as legally or factually insufficient or for otherwise being procedurally infirm” would result in the Government recouping or withholding profit or fee from that incumbent contractor. Notably, protests filed at GAO in Department of War procurements are already down 48 percent over the past decade (as reported by GAO in July), and the vast majority of procurements are conducted without any protest scrutiny. Moreover, there is no data to support that incumbent contractors file protests at a higher rate than non-incumbents. If implemented, this proposal may discourage prospective protesters from pursuing speculative protest challenges, but it is uncertain whether there will be broader impacts.
- **Contracting speed.** Nearly every reform initiative emphasizes the need for speed, agility, and accelerated execution throughout the acquisition lifecycle. Fundamentally, the Department is seeking to re-orient itself as a “risk-based decision-making organization, focused on meeting warfighting and operational needs” and not one that is “compliance-based” using a slower “checklist mentality.” At the highest level, a pendulum swing in this direction could open the door for new participants in the government contracting space, but could also lead to increased disputes as accepting higher risk and moving quickly could lead to performance issues.

Jenner & Block continues to monitor these developments and will provide updates and analysis as appropriate.

Related Attorneys



Moshe B. Broder

Partner
mbroder@jenner.com
+1 202 637 6334



David Robbins

Partner
drobbins@jenner.com
+1 202 639 6040



Noah B. Bleicher

Partner
nbleicher@jenner.com
+1 202 639 6063



Matthew L. Haws

Partner
mhaws@jenner.com
+1 202 639 6065

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