

The Department of Government Efficiency (DOGE) is reshaping federal procurement with a strict focus on cost-cutting, contract consolidation and operational streamlining. Unlike traditional oversight bodies, DOGE operates with an efficiency-first mandate, likely making conventional lobbying and procedural arguments ineffective. Contractors must, therefore, align their strategies with DOGE's data-driven approach to safeguard their programs, contracts and proprietary data.

This advisory outlines several key regulatory developments, proprietary data access risks, procurement trends and practical DOGE-specific mitigation strategies to help contractors stay ahead of contract reductions, modifications, stop works and terminations.

## Congress Is Unlikely to Act—Executive Power Is Driving Change

While procurement reform remains a focus for the Republican-controlled House and Senate, the likelihood that major legislative initiatives that have been introduced this term, such as the Procurement Efficiency Reform Act (PERA), will be enacted into law this term is slim. In the House, divisions in the House between fiscal conservatives and defense hawks make it unlikely that a unified approach to procurement reform will gain traction. And, without a filibuster-proof majority, Republican lawmakers in the Senate lack the votes to move significant procurement legislation without significant bipartisan cooperation.

At the same time, whether due to shifting political priorities, deference to the efficiency mission or resource constraints, the Republican-majority Congress has chosen not to engage in meaningful oversight of DOGE's operations. As a result, the center of gravity for procurement policy remains firmly within the executive branch, where DOGE and the Office of Management and Budget (OMB) are advancing procurement reforms through internal policy shifts and regulatory rulemaking.

For example, the Federal Acquisition Regulatory Council (FAR Council) has already proposed updates that increase cost transparency requirements, standardize artificial intelligence (AI)-driven contract performance assessments, and streamline procedures for modifying or terminating contracts deemed inefficient. As a result, agency procurement officers are losing discretion in favor of centralized efficiency reviews, making it harder for contractors to rely on their long-standing relationships with federal agencies to protect their programs.

For contractors, the immediate risk is not Congress, but executive rulemaking. With little congressional oversight acting as a check on DOGE's expanding authority, the burden falls on contractors to closely track changes to procurement rules, agency guidance and DOGE-driven contract reviews and audits. More importantly, contractors must prepare for these shifts by proactively demonstrating internal cost efficiencies and aligning their operations with DOGE's evolving procurement landscape before being subjected to efficiency-driven cuts.

## Protecting Proprietary Data from DOGE's Expanding Access

On the one hand, as DOGE gains more oversight power, contractors must be wary of increased exposure of their proprietary data provided to federal agencies as part of the procurement process. DOGE is requesting access to detailed financial records, supply chain data and operational metrics to justify its efficiency mandates. On the other hand, without clear safeguards in place, there is a risk that proprietary and confidential business information and trade secrets could be repurposed and shared across agencies. Additionally, DOGE's growing reliance on AI-driven cost comparisons could result in automated pricing reductions that do not account for the full complexity of a contractor's value proposition.

To mitigate these risks, contractors should review their contract terms carefully to limit unnecessary data sharing and ensure that that such contractor information properly marked to ensure that it is protected from disclosure under Exemption 4 of the Freedom of Information Act (FOIA) to prevent trade secrets from becoming publicly accessible. If contractors find that any information that they provided to the government is missing the proper markings, they should notify their customers and clarify which information is exempt from FOIA disclosure.

## DOGE Is Reshaping Federal Contracting—Prepare for Major Procurement Changes

Procurement strategies across federal agencies are already shifting due to DOGE's pressure. Agencies are increasingly favoring fixed-price contracts, Lowest Price Technically Acceptable (LPTA) awards, and performance-based contracting models that emphasize measurable efficiency over flexibility. Additionally, many agencies are increasing their reliance on Other Transaction Agreements (OTAs) and Indefinite Delivery/Indefinite Quantity (IDIQ) contracts, which allow them to scale contract awards up or down in response to shifting budget priorities.

For contractors, this means that traditional cost-plus contracts may become harder to secure, and future contract modifications are more likely to be driven by efficiency scoring algorithms rather than direct negotiations with agency officials.

Contractors may want to consider preparing by integrating AI-driven contract management and cost-tracking tools to ensure their pricing and performance data align with DOGE's benchmarks. Maintaining strong relationships with agency procurement officials is still essential, but it will not be enough on its own. If contractors can secure written justifications for the value of their programs before DOGE intervenes, they will have stronger leverage to protect their contracts from restructuring or termination.

## New Strategies for Contractors: Shifting from Lobbying Congress to Data-Backed Justifications

Unlike traditional regulatory challenges, DOGE's oversight cannot be navigated through lobbying or policy arguments alone. DOGE is focused on hard numbers, and contractors must shift their approach accordingly. Instead of fighting against efficiency mandates, contractors should take a data-first approach, demonstrating how their programs already align with DOGE's goals before being targeted for cuts.

To stay ahead, contractors should secure efficiency validations from their agency partners early in the contract cycle to ensure that DOGE's review process takes those justifications into account. They should also invest in predictive analytics and AI-driven compliance monitoring to mirror DOGE's own analytical methods and prevent automated cost-cutting decisions from being made without their input.

Compliance documentation should be fully digitized and ready for audit at all times, ensuring that any request from DOGE can be answered quickly and with data that reinforces the contract's value. Strengthening internal cybersecurity measures is also critical to preventing unauthorized data access.

Beyond defensive strategies, contractors should proactively align with DOGE's efficiency priorities by using internal AI-driven performance tracking to ensure they are presenting the same types of cost and efficiency data that DOGE will be analyzing. Contractors that control their own efficiency narratives will be in a stronger position when DOGE evaluates their programs.

From a legal perspective, traditional bid protests may be ineffective, but that does not mean contractors are without options. If DOGE oversteps its authority, contractors should be prepared to document procurement due process violations under Federal Acquisition Regulation (FAR) and applicable agency FAR supplement clauses, identify contractual breaches in cost-cutting mandates, prepare and file request for equitable adjustments and claims and raise challenges under small business set-aside protections, when applicable.

However, the most effective strategy will likely be preventative—positioning contracts as cost-efficient and mission-critical before DOGE's scrutiny of your programs and contract begins.

## Final Thoughts: Adapting to the Future of Federal Procurement

Especially if support for the DOGE becomes bipartisan, DOGE will not be a temporary efficiency initiative—it is already becoming a core part of federal procurement oversight, and its decisions will increasingly dictate which contracts survive and which are restructured or eliminated. Contractors who fail to adapt risk losing their foothold in federal contracting.

Indeed, the old playbook—focusing on regulatory engagement and traditional advocacy—will likely not be effective against DOGE's efficiency-driven mandates. Contractors who take control of their efficiency narratives, digitize their compliance and cost tracking, and secure agency support early will have the best chance of maintaining and growing their government business.

For a detailed risk assessment and tailored mitigation strategy, including further discussion on AI-driven contract management and cost-tracking tools, contact our team today.

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