

# TRUMP'S FIXED-PRICE ORDER

## EXECUTIVE SUMMARY

The full paper in one page · for the reader who needs the key points before reading the analysis · 11 pages of substance distilled to four moves

**The Bottom Line:** The Fixed-Price Order correctly diagnoses a real problem and prescribes a fix that works at exactly one of five layers where the problem lives. Thirty years of procurement reform aimed at the same layer — FASA 1994, FARA 1996, PMIAA 2016 — produced modest gains in commodity purchasing and no change in the advisory and IT domains the \$120B baseline is drawn from. The order is on track to repeat that pattern unless one sentence is added to OMB's 45-day guidance.

### The Diagnostic

#### The Dominant Frame

*"Federal procurement wastes money because contractors on cost-reimbursement contracts have no incentive to control costs. Require fixed-price contracts as the default."*

Tactically coherent. Administratively clear. Pre-commits the fix to the payment layer. Forecloses the question of what is being purchased before asking how it is paid for.

#### The Four Category Errors

- 1 Measurement mistaken for cause.** "Unpredictable costs" is a symptom of undefined requirements, not the cause of waste. Changing the payment structure moves the instability from the invoice to the bid.
- 2 Component fix mistaken for architecture fix.** Contract vehicle selection operates downstream of requirements definition. Mandating the vehicle without fixing the requirement leaves the actual constraint untouched.
- 3 A correctly named cause, immediately abandoned.** The order names "poorly defined deliverables" as a driver of waste, then prescribes a contract-type mandate instead of a deliverable-definition requirement.
- 4 Three kinds of corruption bundled as one.** Structural, relational, and transactional procurement corruption operate through different mechanisms. A contract-type mandate reaches only the first.

#### Historical Confirmation (Thirty Years of Precedent)

- \$120 billion** spent on cost-reimbursement consulting contracts in 2024 — the order's own baseline
- Federal IT acquisitions on GAO's High-Risk List **since 1995** — contract type has varied throughout, the waste pattern has not
- PMIAA (2016) already mandates outcome-based program management, passed with **94% House support** — GAO-20-44 found it only partially implemented
- FASA (1994) and FARA (1996) both pushed performance-based contracting without an outcome-definition gate — modest gains in commodity domains, no change in advisory and consulting domains
- The Program Manager — the natural outcome owner — is **not mentioned anywhere** in the order's text

### The Solution

#### The Refined Reframe

##### REPLACEMENT FRAME

*"Federal procurement wastes money because contracts are signed before anyone defines what success looks like. Require outcome definition as the first gate in every procurement, then select the contract type that fits the clarity and risk of the job."*

#### The Five-Phase Sequence

- 1 Phase 1 (0–45 days) — Add the Gate.** OMB's required guidance adds one sentence: certify the outcome before selecting the contract type. No new legislation.
- 2 Phase 2 (45–90 days) — Score the Review by Maturity.** The order's own 90-day review scores contracts by requirements maturity, not just type. High maturity converts to FFP; low maturity routes to cost-plus with milestones.
- 3 Phase 3 (90–180 days) — Pilot Outcome Evidence.** Largest consulting contracts carry an outcome evidence standard; final payment held back pending evidence, not delivery acceptance.
- 4 Phase 4 (180–365 days) — Formalize Integrity Gates.** Conflict-of-interest certification mandatory; IG given explicit audit authority over requirements-writing integrity.
- 5 Phase 5 (Year 2+) — Self-Sustaining Outcome Culture.** Contract type follows automatically from maturity. Waste is addressed at the layer where it originates.

#### The Choice

Both paths cost something. The order's instrument is already inside the guidance window it opened. The added cost of naming the outcome-definition gate inside that same document is one sentence. The order already has the vehicle. It has not yet been asked to carry the right cargo.

##### FINAL VERDICT

The order is correct about the destination and incomplete about the route. Fixed-price contracts will reduce waste on well-defined purchases and will not reach the majority of procurement dollars where the deliverable was never defined in the first place. The fix that reaches both is inside the same guidance document, achievable without new legislation. **Read Sections 1–4 for the substantiation.**

# TRUMP'S FIXED-PRICE ORDER

## THE FULL REFRAMEX© CASE STUDY

Applying the five-pattern method and the ten-question scaffold to the federal procurement Executive Order — what it gets right, what it misses, and how ReFrameX© would have designed it

**Central Argument:** *The order's central claim is that federal procurement wastes money because cost-reimbursement contracts remove the incentive to control costs, and that requiring fixed-price contracts by default will fix this. That claim is correct for one class of purchase and incomplete for another. This paper applies the ReFrameX© method to separate the two, shows why thirty years of similar reforms produced the same partial result, and designs the one addition — inside the guidance the order already requires — that would close the gap.*

### Scope and Disclosure

This paper is a methodological exercise, not a policy verdict on the order. The ReFrameX© method is content-neutral; it surfaces category errors and layer-mistakes in problem framing regardless of whether the underlying domain is federal procurement, corporate strategy, or geopolitics. The Fixed-Price Order is used here because it exhibits, with unusual clarity, a diagnosis that is right at the top and a prescription that stops one layer short of where the diagnosis points.

The author holds no position on whether the order should have been issued. The argument is narrower: the instrument it selects addresses the layer it names correctly for straightforward purchases, and does not reach the layer where the majority of the \$120B baseline actually lives.

### What the Order Says — Factual Baseline

Right now, many federal contracts pay a contractor's costs plus a margin, with the details worked out along the way. These are cost-reimbursement contracts. The order requires agencies to default to fixed-price contracts instead — agree on a price upfront, and the contractor delivers what was promised for that price. Any exception must be justified in writing by a senior official.

The order cites **\$120 billion** spent on cost-reimbursement consulting contracts in 2024 as evidence. It gives agencies 90 days to review their largest contracts and directs OMB to issue implementation guidance within 45 days.

#### METHODOLOGICAL HONESTY

Section 2 proposes specific gates and a role for the Program Manager. The author acknowledges that naming the Program Manager as outcome owner is a real accountability increase that some Program Managers will experience as a burden, not a gift. The point is not that the addition is costless. The point is that the method requires the alternative to be named honestly, so the trade-off is visible before the guidance is finalized.

### Reader's Guide

This paper is in four sections.

- 1 Section 1 — The Reframing Analysis.** Applies the five-pattern diagnostic to the order's stated frame and surfaces four category errors, an authority-accountability gap, and a naming trap.
- 2 Section 2 — A Structured Alternative.** Builds the five-layer architecture, the bounded roles, the authority gates, and the load-bearing vocabulary of an outcome-first order using the full scaffold.
- 3 Section 3 — Thirty Years of Precedent.** Documents FASA (1994), FARA (1996), and PMIAA (2016) and shows how each category error from Section 1 is already empirically demonstrated by their partial results, plus which corruption types the order reaches.
- 4 Section 4 — How ReFrameX© Would Have Designed This Order.** A phased sequence for adding the missing gates inside the order's own 45-day and 90-day windows, and a side-by-side comparison to the order as written.

### How the Method Applies Here

The ReFrameX© method's five patterns (Reframe-First, Frame-the-System, Place-the-Parts, Authority-Where-Accountability-Lives, Naming-as-Anchoring) and four-step diagnostic (Spot, Name, Replace, Rebuild) operate domain-neutrally. Procurement policy is particularly susceptible to the errors the patterns catch because a single headline number pressures policymakers toward one visible lever, and because a contract-type mandate is easier to legislate than a role change.

For practitioners who have not previously applied the method to procurement, the Fixed-Price Order is instructive precisely because the same diagnostic that catches DOGE's misframing (Master Handbook Case Study 6), Boeing's misframing (Case Study 7), Brexit's misframing (Case Study 8), and the Iran strikes' misframing (Case Study 9) catches the order's misframing here — and points toward the same kind of solution: naming the outcome before selecting the instrument.

# THE DOMINANT FRAME AND ITS CATEGORY ERRORS

What the order's frame says · what it pre-commits to · what it cannot see

## The Dominant Frame

***"Federal procurement wastes money because contractors on cost-reimbursement contracts have no incentive to control costs. Require fixed-price contracts as the default."***

This is the frame stated in the order itself, in the \$120B figure it cites, and in the 90-day review and 45-day OMB guidance it directs. It is grammatically simple. It feels administratively clear. It produces a discrete compliance metric: the ratio of fixed-price to cost-reimbursement dollars. It pre-commits the policy instrument to *payment-structure reform*. Within that frame, requiring fixed-price by default is a coherent instruction: identify the contract type, change the type, measure the change.

The frame is not wrong in some absolute sense. Cost-reimbursement contracts without defined deliverables are a genuine and expensive problem. The question the method forces is whether the *frame* — the conceptual structure within which the order was drafted — captures the actual problem it claims to address.

## The Category Errors

The diagnostic surfaces four stacked category errors inside the dominant frame.

### Error 1 — Treating a measurement as a cause

"Unpredictable costs" is a measurement, not a cause. Costs are unpredictable because requirements are unstable and outcomes are undefined before the contract is priced — fixed or not. The order treats the symptom as if changing the payment structure removes the underlying instability. It does not; it moves the instability from the invoice to the bid.

### Error 2 — Treating a component fix as an architecture fix

Contract vehicle selection operates at what the method calls the component layer — a downstream choice that should follow from how well the requirement is defined upstream. The order mandates a component-layer default without addressing the architecture-layer question that determines whether that component will work: is this job defined clearly enough to price at all?

This is the same error Boeing made (Case Study 7): treating a recurring symptom as if it were the problem, rather than as the output of an unaddressed layer above it. "Fix the payment type" cannot solve "nobody defined what success looks like," any more than "fix MCAS" could solve "Boeing's safety culture."

### Error 3 — A correctly named cause, immediately abandoned

The order's own text names "poorly defined deliverables" as a driver of waste — accurately. It then prescribes a contract-type mandate, not a deliverable-definition requirement. The order diagnoses the root cause and treats a downstream symptom instead. The correct word appears in the document and does no further work in it.

### Error 4 — Bundling three kinds of corruption under one instrument

"Reduce procurement waste" bundles concerns that operate through different mechanisms and at different layers:

| Bundled concern                             | Actual layer / mechanism                                |
|---------------------------------------------|---------------------------------------------------------|
| Activity paid without a defined outcome     | Requirements layer — partially reached by FFP           |
| Requirements written to favour an incumbent | Requirements-writing and evaluation layer — not reached |
| Direct bribes and kickbacks                 | Enforcement layer — not reached by contract type        |
| Revolving-door evaluation conflicts         | Role-boundary layer — not reached                       |

This is the Brexit pattern (Case Study 8) transplanted into procurement: a frame that mobilizes support by bundling distinct concerns becomes structurally incapable of guiding implementation, because the bundled mechanisms do not respond to the same instrument. A contract-type mandate can reach structural corruption. It cannot reach relational or transactional corruption, which operate upstream of, or entirely outside, the payment structure.

#### DIAGNOSTIC SUMMARY

Four stacked category errors: measurement mistaken for cause, component fix mistaken for architecture fix, a correctly named cause immediately abandoned, multiple corruption types bundled into one instrument. Each is a recognized pattern in the method's library. Each is correctable. None is corrected by debating whether fixed-price contracts work.

# AUTHORITY, NAMING, AND WHAT THE FRAME FORECLOSED

Pattern 4 and Pattern 5 applied · the parts of the problem the frame structurally cannot engage

## Authority-Accountability Gaps

The ReFrameX© method (Pattern 4) requires that decision authority be co-located with accountability for outcomes. In the procurement case, the gap is structural and already documented by the order's own silence.

Decision authority for contract type sits with the Contracting Officer, who selects the vehicle and defends any exception in writing. Decision authority for requirements — what is actually being bought — sits upstream, typically with program staff the order does not name.

**Accountability for outcomes** is distributed across actors the order does not mention:

- The **Program Manager**, who owns whether the delivered work actually produces the intended result, and who is not referenced anywhere in the order's text
- The **Inspector General**, whose audit authority over requirements-writing integrity is not expanded
- The **taxpayer**, who bears the cost of a well-priced contract for the wrong deliverable exactly as much as a poorly priced one
- Future **Contracting Officers**, who inherit whatever precedent the 90-day review sets for an adequate exception justification

This is the precise pattern Pattern 4 names as a brittleness signature: when authority over contract type is exercised by an actor with no authority over requirements, and accountability for outcomes sits with an actor the instrument does not name, the system cannot close its own feedback loop. The diagnostic prediction: agencies convert contract types to comply, outcomes on complex work do not measurably improve, and the \$120B figure resurfaces in a future review under a different label.

## Naming-as-Anchoring — The Trap

### "Cost-reimbursement contracts"

The phrase names the payment mechanism as the villain. It anchors the fix to changing the mechanism. But cost-reimbursement and fixed-price are both payment mechanisms; neither one defines a deliverable. Naming the mechanism as the cause makes the actual cause — the absence of a defined deliverable — analytically invisible inside the order's own vocabulary.

### "Performance-based considerations"

The order's own qualifying language for when non-default contract types remain justified. The phrase is undefined. Any contract, fixed-price or not, can claim to include "performance-based considerations" without anyone being required to specify what performance means or how it is measured. An undefined qualifier attached to an otherwise strict default appears to preserve judgment while giving officials no vocabulary to exercise it precisely.

## What the Frame Cannot Engage

- 1 What does this contract need to produce for the mission to be served?** The frame cannot ask this because it pre-commits to a payment-structure answer before any outcome question is posed.
- 2 Is this job defined clearly enough to price at all?** The frame cannot ask this because contract-type selection precedes any requirements-maturity judgment.
- 3 Who is accountable if a fixed-price contract delivers the wrong thing, on time and under budget?** "On time and under budget" is treated as success regardless of outcome.
- 4 Were these requirements written to favour a specific vendor?** The frame treats all cost-reimbursement contracts as one failure mode, not distinguishing undefined work from captured competition.

### THE METHOD'S VERDICT — SECTION 1

The order is intelligible within the frame "cost-reimbursement contracts remove the incentive to control costs." That frame contains four stacked category errors, an authority-accountability gap centered on an unnamed Program Manager, and a naming trap that makes the actual cause of most procurement waste invisible to the instrument the order deploys. The instruction is probably correct for well-defined purchases. The frame is incomplete in ways the method can name precisely. Section 2 attempts the rebuild.

# THE REFRAME, THE ARCHITECTURE, THE LAYERS

Building what the dominant frame foreclosed · what would have to be true · why five layers, not one

## The Replacement Frame

**"Federal procurement wastes money because contracts are signed before anyone defines what success looks like. Require outcome definition as the first gate in every procurement, then select the contract type that fits the clarity and risk of the job."**

This is the reframe the method produces. It contains five explicit moves, each of which reverses a specific category error from Section 1.

| Replacement move                   | Reverses                                               |
|------------------------------------|--------------------------------------------------------|
| "Outcome definition"               | Measurement mistaken for cause (Error 1)               |
| "First gate, before contract type" | Component fix mistaken for architecture fix (Error 2)  |
| "Select the type that fits"        | Correctly named cause immediately abandoned (Error 3)  |
| "The clarity and risk of the job"  | Requirements maturity as the true variable             |
| "Every procurement"                | Corruption types bundled into one instrument (Error 4) |

The reframe is honest about what it requires. It does not deliver a single lever. It does not pre-commit to one contract type. It opens the design space the dominant frame had foreclosed.

## Traditional vs. Reframed

| Traditional framing                  | Reframed                                        |
|--------------------------------------|-------------------------------------------------|
| Contract type is the lever           | Requirements maturity is the lever              |
| Fixed-price by default               | Outcome-defined by default; type follows        |
| Metric: FFP dollar share             | Metric: outcome-definition and achievement rate |
| Program Manager unmentioned          | Program Manager named as outcome owner          |
| Cost variance treated as the disease | Cost variance treated as a downstream symptom   |

## The System Structure

The method (Pattern 2) requires that any reframe be followed by a designed system structure — named layers, each with a bounded role, each with explicit interfaces between them. The reframed problem decomposes into five layers.

- 1 Outcome Definition (foundational layer).** Before any contract is solicited, a named program official certifies in writing what will be measurably different when the contract succeeds. Public, attached to the solicitation, IG-reviewable.
- 2 Requirements Maturity Assessment (architecture-to-component bridge).** The Contracting Officer and Program Manager jointly judge whether the job is defined clearly enough to price. High maturity routes to fixed-price; low maturity routes to cost-plus with milestones.
- 3 Contract Vehicle Selection (component layer — what the order addresses).** Fixed-price, cost-plus, time-and-materials, or hybrid, selected as the output of Layer 2, not as the starting instruction.
- 4 Performance Evidence (interface layer).** Every contract carries an outcome evidence standard agreed at award. Final payment is conditioned on evidence of outcome, not delivery acceptance alone.
- 5 Adaptive Oversight (governance layer).** Program Managers hold explicit authority to call mid-contract reviews when outcomes are at risk, and to recommend early termination when the outcome is no longer achievable.

### WHY FIVE LAYERS, NOT ONE

The order, in this typology, is a Layer 3 instrument with no Layer 1, 2, 4, or 5 attached to it. That is why FASA (1994) and FARA (1996) — both Layer 3 or Layer 4 instruments in their own right — produced the same partial result: modest gains where the deliverable was already clear, no change where it was not. A frame that produces only the contract-vehicle layer cannot reach requirements-layer waste. A frame that produces the outcome definition, the maturity assessment, the vehicle selection, the evidence standard, AND the oversight authority can. The method's diagnostic for "why will this order under-deliver on its own \$120B claim?" is not "agencies will resist" — it is "the order is complete at one layer out of five."

# BOUNDED ROLES, GATES, AND THE HARD TRADE-OFFS

Placing the parts · locating authority · naming the operationally inconvenient honestly

## Component Placement (Pattern 3)

| Party                      | Bounded to                                                  | Wrong to delegate                                     |
|----------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| <b>Contracting Officer</b> | Contract vehicle selection and compliance (Layer 3)         | Outcome definition — not the CO's training or mandate |
| <b>Program Manager</b>     | Outcome ownership, evidence, oversight (Layers 1, 4, 5)     | Contract vehicle selection — wrong expertise          |
| <b>Agency Head</b>         | Approving exceptions where outcome definition is incomplete | Individual source-selection decisions                 |
| <b>Inspector General</b>   | Auditing outcome-achievement and requirements integrity     | Real-time program management                          |
| <b>OMB</b>                 | Issuing guidance that names the gates and the owners        | Adjudicating individual contract disputes             |

The component-placement work above is what does not happen when the frame is "mandate fixed-price." Under that frame, the question is binary: fixed-price or justify an exception. Under the reframed structure, the question is configuration: which layer is this contract's problem actually in, and which role owns the answer.

## Authority Gates (Pattern 4)

- 1 Outcome Definition Gate.** No solicitation issued until a named official certifies a measurable mission outcome in writing. Does not exist in the order as written.
- 2 Requirements Maturity Gate.** CO and PM jointly certify whether the job is defined clearly enough to price before the vehicle is chosen. Not required.
- 3 Conflict-of-Interest Gate.** Evaluation panel members certify the absence of financial conflicts before award. Not in the order.
- 4 Outcome Evidence Gate.** Final payment conditioned on outcome evidence, not delivery acceptance. Does not exist.

## The Hard Trade-Offs — Named Honestly

The method requires that the costs of the reframed solution be named explicitly. Otherwise the comparison to the order as written is rigged. Three trade-offs are operationally inconvenient and administratively unavoidable.

### TRADE-OFF 1 — MORE UPFRONT TIME, LESS DOWNSTREAM DISPUTE

Certifying an outcome and a maturity assessment before soliciting a contract adds time at the front of the procurement cycle. Contracting Officers under pressure to hit the order's 90-day review deadline will experience this as friction. The alternative — pricing an undefined job — produces disputes, change orders, and terminations later, which cost more time in total. The reframe requires accepting the upfront cost to avoid the larger downstream one.

### TRADE-OFF 2 — PROGRAM MANAGER ACCOUNTABILITY INCREASES

Naming the Program Manager as outcome owner is a real accountability increase, not a symbolic one. Some Program Managers will experience the certification requirement as personal exposure they did not have before. The reframe does not soften this: co-locating authority and accountability necessarily means someone who previously bore no personal risk now bears some.

### TRADE-OFF 3 — NOT EVERY LOW-MATURITY CONTRACT SHOULD BECOME FFP

Routing low-maturity work to cost-plus with milestones preserves the flexibility complex, novel work requires, but it also preserves the exact contract type the order was written to reduce. The reframe requires accepting that some cost-reimbursement contracts are the correct instrument, not a failure to comply, provided milestones and outcome evidence are attached. This is a harder position to defend in a hearing than "we eliminated cost-plus contracts," even where it is the more accurate one.



# VOCABULARY, UPTAKE, AND THE METHOD'S VERDICT

Naming the architecture · who would have to carry it · why this is easy to write and harder to finish

## Load-Bearing Vocabulary (Pattern 5)

| Term                           | Anchored to                                                                                              |
|--------------------------------|----------------------------------------------------------------------------------------------------------|
| Outcome Definition             | PMIAA (2016); GAO-21-491's recommendation to shift toward outcome-oriented metrics                       |
| Requirements Maturity          | Federal Acquisition Streamlining Act (1994) contract-type guidance; acquisition-risk literature          |
| Performance Evidence Standard  | Federal Acquisition Reform Act (1996) performance-based language, extended beyond acceptance to evidence |
| Adaptive Oversight             | GAO's High-Risk List methodology (Federal IT, since 1995); program-management escalation literature      |
| Requirements-Writing Integrity | Procurement Integrity Act; conflict-of-interest certification precedent in source selection              |

Each term displaces a piece of the order's vocabulary with one that creates a distinction the order's language could not. "Outcome" instead of "cost." "Maturity" instead of "default." "Evidence" instead of "acceptance."

## Uptake — Who Would Have to Carry This

- 1

**Inside OMB** — the 45-day guidance would need to name the Program Manager explicitly and attach the outcome-definition gate as a template, not an option. The timeline already exists; the content does not yet.
- 2

**Inside agencies** — Contracting Officers and Program Managers would need to jointly own the maturity assessment, a role pairing without a standard workflow in most agencies today.
- 3

**Inside Inspector General offices** — requirements-writing integrity would need to enter audit scope, a statutory expansion in some agencies without OMB or legislative clarification.
- 4

**Among contractors** — accepting that complex, novel work may still be priced cost-plus with milestones, rather than assuming fixed-price is now the unconditional default to bid.

## The Method's Final Verdict — Section 2

### FINDING

Applying the full ReFrameX© diagnostic to the Fixed-Price Order yields a precise finding: the order is a component-layer instrument that is tactically correct for well-defined purchases and structurally unable to reach the requirements layer where most of the \$120B baseline actually originates. This incompleteness is not the fault of the drafters. It reflects treating a multi-layer procurement-quality problem with an instrument built for a single-layer payment-structure problem.

The reframed solution outlined above is not free. It requires Contracting Officers to accept more upfront judgment, Program Managers to accept more personal accountability, and agencies to accept that some cost-reimbursement contracts are correct, not a failure. These are real costs. The order's defenders are correct that the reframed solution asks more of the people who execute it.

The reframed solution's defenders are correct on a different point: the order's cost is also real, in a \$120B baseline that will resurface under new labels, in complex-work contracts forced into a payment structure that does not fit them, and in a Program Manager role the order leaves invisible while asking everyone else to comply. The choice is not between an easy fix and a harder one. It is between a fix that addresses one layer and a fix that addresses five, achievable in the same guidance document.

# THE PATTERN ALREADY RAN TWICE

FASA 1994, FARA 1996, and PMIAA 2016 — and what their partial results already prove about this order

## Factual Baseline — Three Prior Reforms

The Federal Acquisition Streamlining Act of 1994 pushed agencies toward simplified, commercial-style contracting and reduced protest and reporting burdens. The Federal Acquisition Reform Act of 1996 pushed toward performance-based contracting, encouraging agencies to define contracts around outcomes rather than processes. The Program Management Improvement Accountability Act of 2016 went further still: it required agencies to adopt standards for program and project management, explicitly including outcome-based management, and passed with 94 percent support in the House.

Each reform named a version of the same target the current order names: procurement that pays for activity rather than results. Each reform selected an instrument at a different layer — FASA at the process layer, FARA at the contract-design layer, PMIAA at the program-management layer. None of the three required, as a mandatory pre-award gate, that someone certify a measurable outcome before a contract type was chosen.

## The Empirical Finding

The central finding, visible in GAO's own retrospectives, is that all three reforms produced real but partial results: measurable improvement where the purchase was already well-defined, no measurable change where it was not. GAO-20-44 found PMIAA only partially implemented eight years after passage. Federal IT acquisitions have remained on GAO's High-Risk List continuously since 1995 — spanning all three reforms and every contract-type mix in between.

## The Four Category Errors — Empirically Validated

### Error 1 — Measurement mistaken for cause (Confirmed)

**Section 1 predicted:** costs are unpredictable because requirements are unstable, fixed or not. **Thirty years demonstrated:** FASA's push toward more standardized contracting reduced process friction without requiring outcome definition — cost unpredictability persisted wherever the underlying requirement remained undefined, regardless of contract type used.

### Error 2 — Component fix mistaken for architecture fix (Confirmed)

**Section 1 predicted:** contract vehicle selection should follow from how well the requirement is defined upstream. **Thirty years demonstrated:** FARA's performance-based language operates at the same component layer as the current order's mandate. Both improved commodity purchasing. Neither reached IT and advisory acquisitions, where the requirements layer, not the contract-type layer, is the actual constraint.

### Error 3 — A correctly named cause, immediately abandoned (Confirmed)

**Section 1 predicted:** the order names "poorly defined deliverables" and prescribes a contract-type fix instead. **Thirty years demonstrated:** PMIAA named outcome-based management as the goal and mandated management standards, not a mandatory pre-award outcome-certification gate. GAO's finding of partial implementation is the empirical signature of a correctly named cause with no enforcement mechanism attached to it.

### Error 4 — Multiple corruption types bundled under one instrument (Confirmed)

**Section 1 predicted:** a contract-type mandate reaches structural corruption and not relational or transactional corruption. **Thirty years demonstrated:** none of the three reforms added conflict-of-interest certification, requirements-writing audit authority, or a named accountability owner for evaluation integrity. Relational corruption remains as unaddressed today as it was in 1994.



# CORRUPTION BY TYPE

Structural, relational, and transactional corruption — and the honest verdict on what a contract-type mandate can and cannot touch

## Three Types of Procurement Corruption

### Type 1 — Structural corruption

Open-ended contracts with no defined deliverables. Money flows for effort with no defined result. Nobody is bribed. The system rewards activity over outcomes. Most common by volume — example: \$120B in consulting contracts where "advisory services" is the entire deliverable description.

### Type 2 — Relational corruption

Requirements written to favour an incumbent. Revolving door between government and contractors. Evaluation panel conflicts of interest. Technically legal in many forms. Most expensive by dollar value — example: a program manager approves a contract with a firm they plan to join after government service.

### Type 3 — Transactional corruption

Direct bribes, kickbacks, gifts in exchange for contract awards. Most visible. Most prosecuted. Probably the smallest by total dollar value of the three — example: a contracting officer receives payments to steer awards to a specific vendor.

#### WHAT THIRTY YEARS OF PRECEDENT NOW MAKES LEGIBLE

ReFrameX© identifies windows when category errors become legible to actors who had previously been protected from seeing them. The 45-day OMB guidance window is such a moment. The order's defenders cannot claim a fixed-price mandate alone will resolve a \$120B baseline that FASA, FARA, and PMIAA already approached from adjacent layers without resolving. The reframe's defenders cannot claim the fix is costless: it asks Program Managers to accept accountability the order does not currently ask of anyone. Both honest constraints are visible at the same time, which is the condition under which procurement reform actually improves rather than repeats.

## Corruption Verdict

| Type                          | Does the order address it?                                                                               | What would actually fix it                                                                               |
|-------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Type 1 — Structural</b>    | Partially. FFP with defined deliverables makes this harder. Still possible with vague FFP deliverables.  | Outcome definition as mandatory pre-award gate                                                           |
| <b>Type 2 — Relational</b>    | No. The order does not address requirements-writing, evaluation integrity, or post-employment conflicts. | Conflict-of-interest certification. Requirements integrity gate. PM accountability for source selection. |
| <b>Type 3 — Transactional</b> | Indirectly. Reduces volume of money without accountability. But bribery can happen on any contract type. | IG enforcement, prosecution, whistleblower protection — not contract-type mandates                       |

On corruption: the order will reduce Type 1 structural corruption in domains where it mandates defined deliverables. It will not touch Type 2 relational corruption — the revolving door, incumbent capture, and requirements-writing that favours pre-selected winners. That is almost certainly the larger problem by dollar value, and it operates entirely at the requirements and authority layers the order does not reach.

**The single most important addition that would change all of this:** one sentence in OMB's 45-day guidance requiring the Program Manager to certify, on record, both a defined mission outcome and the absence of conflicts of interest before any contract is awarded. That sentence co-locates authority and accountability at the pre-award stage where the most expensive failures and corruption currently operate invisibly.

# THE PHASED SEQUENCE AND THE SIDE-BY-SIDE

Five phases over two years · what changes in the guidance · what the 45-day and 90-day windows already make possible

## The Five-Phase Implementation Sequence

The refined solution unfolds in five sequenced phases, each inside a window the order has already opened. Each phase has named participants, named deliverables, and a defined gate to the next phase.

- 1

**Phase 1 — Add the Gate (0–45 days).** OMB's required implementation guidance adds one sentence: before selecting any contract type, the Contracting Officer and Program Manager jointly document the measurable outcome the contract must achieve. No new legislation. Gate to Phase 2: guidance issued with the sentence included.
- 2

**Phase 2 — Score the 90-Day Review by Maturity (45–90 days).** Agencies complete the review the order already requires, scoring each contract by requirements maturity as well as type. High-maturity contracts convert to fixed-price as intended. Low-maturity contracts route to cost-plus with milestones instead of a forced conversion. Gate to Phase 3: review complete, contracts categorized by maturity.
- 3

**Phase 3 — Pilot the Outcome Evidence Standard (90–180 days).** New solicitations on the largest consulting contracts inside the \$120B baseline carry an outcome evidence requirement at award. Final payment held back pending evidence, not delivery acceptance alone. Gate to Phase 4: pilot results reviewed.
- 4

**Phase 4 — Formalize Integrity Gates (180–365 days).** Evaluation panel conflict-of-interest certification becomes mandatory. IG offices receive explicit audit authority over requirements-writing integrity, with annual reporting to Congress. Gate to Phase 5: first annual IG report delivered.
- 5

**Phase 5 — Self-Sustaining Outcome Culture (Year 2 and beyond).** Outcome definition and evidence gates operate as routine procurement practice, not exceptional compliance. Contract-type selection follows automatically from the maturity assessment. Program Managers hold standing authority to call reviews and recommend termination.

## Side by Side — Order as Written vs. ReFrameX© Order

| Order as written                                               | ReFrameX© order                                                                                                        |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Default to fixed-price contracts across all procurement types  | Default to outcome-defined contracts. Select type based on requirements maturity.                                      |
| Contracting officer justifies non-FFP contracts in writing     | Program manager certifies mission outcome before solicitation. CO certifies maturity before vehicle selection.         |
| Agency head approves non-FFP contracts above threshold         | Agency head approves contracts where outcome definition is incomplete.                                                 |
| No conflict-of-interest provisions                             | Evaluation panel certifies absence of financial conflicts before award. IG has explicit audit authority.               |
| Semi-annual reporting on number and value of non-FFP contracts | Reporting on outcome-definition compliance, outcome achievement, and early termination rates.                          |
| OMB guidance within 45 days                                    | Guidance includes: outcome-definition gate template, maturity framework, conflict-of-interest form, evidence standard. |
| Program Manager not mentioned                                  | PM named as outcome accountability owner, with authority to call reviews and recommend termination.                    |
| Inspector General not mentioned                                | IG given explicit authority to audit outcome-definition quality and requirements-writing integrity.                    |

# THE HONEST COMPARISON AND FINAL VERDICT

What changes on Monday morning · the honest comparison · the method's final word

## The Honest Comparison

The order as written has one lever: contract type. Future reviews are likely to find, as GAO found after FASA, FARA, and PMIAA, that the lever produced real gains on well-defined purchases and little change on the advisory and IT contracts that comprise the majority of the \$120B baseline. The honest forecast for the order as written is a partial result similar in shape to its three predecessors, with the same category of exception request appearing on the next review's docket.

The reframed addition is inexpensive in the currency that matters here: one sentence in a guidance document OMB already must produce within 45 days. It is not costless in the currency of accountability: Program Managers gain a certification requirement and Contracting Officers gain an upfront judgment call, both more exposure than they carry today. The order's defenders are correct that the current text is simpler to execute. The reframe's defenders are correct that a simpler instrument aimed at the wrong layer produces a simpler failure, not a smaller one.

### FINAL VERDICT

The order does not need to be replaced. It needs one addition inside a guidance document it already requires. Thirty years of precedent — FASA, FARA, PMIAA — show what happens when a procurement reform stops at the payment-structure layer: real gains where the job was already defined, no change where it was not. The order is on track to repeat that result unless the outcome-definition gate is added before the 45-day guidance is finalized. That is the single highest-leverage change available, and it requires no new legislation.

### FOR THE PRACTITIONER

The Fixed-Price Order is a canonical example of why the method matters in domains where a single number becomes the whole argument. The same diagnostic that catches DOGE (Master Handbook Case 6), Boeing (Case 7), Brexit (Case 8), and the Iran strikes (Case 9) catches the order's misframing here. The fix that is legislatively easy is rarely the fix that is architecturally correct, and the method's job is to make that gap visible before the guidance ships, not after the next GAO retrospective.

## What Changes on Monday Morning

### For a Contracting Officer

*Order as written:* write a justification memo for any cost-plus contract and get the agency head to sign above the threshold. **ReFrameX© order:** confirm the PM has certified the outcome, complete the maturity assessment together, select FFP or cost-plus with milestones accordingly, and include the outcome evidence standard. Fifteen extra minutes that change everything upstream.

### For a Program Manager

*Order as written:* no change. The order does not mention you at all. **ReFrameX© order:** you are the named outcome owner. Write a one-page outcome definition before solicitation. Sign it publicly. Certify no conflicts. Review outcome evidence at contract close. More accountability — and the authority to act when things go wrong.

### For a Contractor

*Order as written:* expect more FFP contracts. If you are large and established, this favours you. If you are small or new, complex work may become unaffordable to bid on. **ReFrameX© order:** contract types matched to the work. Complex novel work still gets cost-plus with defined milestones. You know what success looks like before you start. Better for smaller and innovative contractors. Better for competition.

---

— Avansys Lab, August 2026. This document is a complete ReFrameX© case study: four-step diagnostic, ten-question scaffold, five-pattern analysis, thirty-year historical validation, corruption analysis by type, and forward-looking ReFrameX© design. Methodological, not partisan. Companion case studies: DOGE Five-Pattern Application (Master Handbook Case Study 6) and The Iran Conflict 2025–2026 (Case Study 9).