

## 7 Presidential Directives That Signal the Biden Administration's Domestic and International Priorities

1. *Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies*
2. *EO 14006: Reforming Our Incarceration System To Eliminate the Use of Privately Operated Criminal Detention Facilities*
3. *Memorandum on Preserving and Fortifying Deferred Action for Childhood Arrivals (DACA)*
4. *EO 14009: Strengthening Medicaid and the Affordable Care Act*
5. *EO 14024: Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation*
6. *EO 14032: Addressing the Threat From Securities Investments That Finance Certain Companies of the People's Republic of China*
7. *Statement on Rejoining Paris Climate Agreement (January 20<sup>th</sup>, 2021)*

## Tracking the New Administration's Resolutions

- 🐾 Throughout the past year, the current administration has declared their policy positions through use of the executive powers
- 🐾 The Executive Orders (EOs) and Presidential Directives (PDs) give insight into 2022 Environmental, Social, Governance priorities
- 🐾 The Biden administration's social priorities are reflected through new procurement standards focused on public interest industries
- 🐾 Federal contractors should assess and revamp their corporate environmental policies to get ahead of tightening regulations
- 🐾 Small, small disadvantaged, woman-owned, and 8(a) businesses will be better positioned to win work
- 🐾 Domestic procurement priorities include supply chain security as well as additional checks and balances to improve government services

### 2021 Presidential Directives

As we ring in 2022, the fate of Build Back Better remains uncertain as does the very real prospect of a full year CR. It is helpful to examine EOs and PDs to get a sense of where real priorities lie for the current administration. In the federal contracting world, this examination provides us with an opportunity to take stock of the new administration's first full year in office and apply lessons learned to how we position ourselves for the balance of the term. So far, the Biden administration has issued 77 EOs and 45 memos, which have reflected their intentions in promoting Environmental, Social, and Governance (ESG) initiatives. Given that over 60% of the total 122 directives issued from the White House were ESG-related, two questions follow: how will this impact contractors and what should they do to adapt?

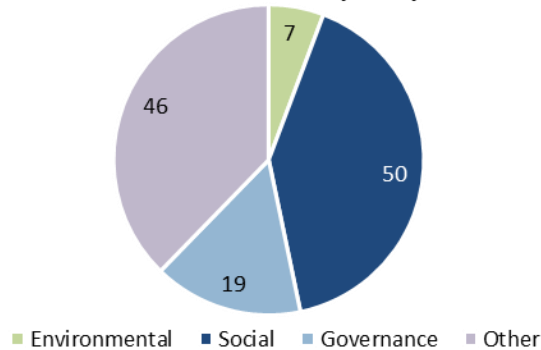
### Cleaner and Greener

In 2021, the President implemented strict environmental regulations that will impact the government contracting industry, as well as create new possible funding streams for those who position themselves accordingly. EO 14057 requires that, by 2050, the federal government have a net-zero carbon footprint through procurement, which includes requiring the federal fleet to consist of all electric vehicles by 2035. EO 14030 encourages agencies to require contractors to publicly report greenhouse gas emissions and climate risk, as well as to set emission reduction targets. While these requirements remain years away, contractors should start thinking about tracking their greenhouse gas emissions and brainstorming ways to reduce emissions. Furthermore, contractors in the clean energy, sustainable R&D, and EV battery space will be big winners in the coming years.

### Equity and Opportunity

Nearly 41% of EOs and memos issued from the White House over the past year have addressed social policies ranging from racial equality to wage gaps, which will place additional requirements on federal contractors. One of the more impactful orders, EO 13985, directed federal agencies to remove contracting barriers faced by "underserved individuals and communities". The President built upon this by announcing a goal of increasing the share of federal contracting to small disadvantaged and 8(a) businesses by 50%. Executive Order 14206 requires government contractors to pay a \$15/hour minimum wage by January 30th, 2022. Lastly, EO 13995 addresses the COVID-19 response, emphasizing reducing gaps in data collection and reporting, as well as increasing access to care and resources.

Number of EOs and PDs by Policy Area



ESG initiatives represent over 60% of the EOs and PDs from Biden's first year, clearly signaling the administration's priorities. Other policy areas include Public Health, Foreign Policy, National Security, and COVID-19.

### Balance and Objectivity

The President's governance-related directives have prioritized additional internal quotas, checks, and reviews. EO 14005 prescribes that the government give a preference to domestic suppliers and domestic construction materials/end products to ensure supply chain security, help American businesses compete in strategic industries, and increase price preferences for these products. EO 14058 emphasizes improving service delivery, which requires additional modernization, UI/UX analysis, automation, and data collection efforts. The Anti-Corruption Memorandum labels corruption as a national security threat and will require additional security checks and regulatory oversight mechanisms. As these directives suggest, while contractors should continue to prepare to mitigate the impacts of additional regulations, they may also create new opportunities.