



OFFICE OF FEDERAL
PROCUREMENT POLICY

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 11, 2021

MEMORANDUM TO CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES

FROM: Michael E. Wooten *Michael E. Wooten*
Administrator

SUBJECT: Limiting Use of Educational Requirements in Federal Service Contracts

The purpose of this memorandum is to remind agencies of the long-standing requirement to limit the use of educational requirements in favor of stated skills when acquiring information technology (IT) services. Agencies are encouraged to apply this same general principle when acquiring other types of services that do not require licenses and can be procured using performance-based contracting principles.

Executive Order 13932, *Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates*, calls on agencies to increase the use of skills and competency-based hiring for employment with the Federal Government instead of overly relying on educational achievements. The E.O. notes that an overreliance on college degrees excludes capable candidates and undermines labor-market efficiencies.

The general principle underlying E.O. 13932 holds true when federal buying offices contract for services. Focusing on desired competencies to achieve stated outcomes, rather than imposing degree requirements, helps to break down barriers to entry and promote effective competition by giving prospective government contractors the flexibility they need to build a team with the best suited personnel to address an agency's requirements. This flexibility is especially important for those small businesses that may otherwise lack the resources to participate in competitions for services if their existing employees do not meet the educational requirements and deprive taxpayers of the resourcefulness and ingenuity that these small businesses could bring to the federal marketplace. In addition, by avoiding reflexive use of educational requirements, agencies can also realize significant savings and cost avoidance while still getting access to the critical skills they need.¹

¹According to one recent report, the majority of employers surveyed pay between 11%-30% more for college graduates while acknowledging that "non-graduates with experience perform nearly or equally well on critical dimensions like time to reach full productivity, time to promotion, level of productivity, or amount of oversight required." Fuller and Raman, "*Dismissed by Degrees: How Degree Inflation is Undermining U.S. Competitiveness and Hurting America's Middle Class*," (Harvard Business School, 2017).

Section 39.104 of the Federal Acquisition Regulation has long held that solicitations must not describe minimum educational requirements for proposed contractor personnel when acquiring information technology services unless the contracting officer determines that the needs of the agency (a) cannot be met without that requirement or (b) require the use of other than a performance-based acquisition. Agencies are encouraged to take the same general approach when acquiring other services, except where education directly reflects the competencies necessary to satisfy a qualification and perform required duties, as would be the case, for example, if the statement of work required a physician to perform medical services, an attorney to provide legal services, or an architect to provide architectural services.

Please share this memorandum broadly with members of the workforce who are responsible for the acquisition of services. For questions related to this memo please submit inquiries to MBX.OMB.OFPPv2@OMB.eop.gov.