

Public Procurement under Tariffs and Global Uncertainty: Perspectives from State and Local Purchasing Professionals

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White Paper Developed for NIGP: The Institute for Public Procurement with support from OMNIA Partners

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The following paper presents findings from semi-structured interviews with 30 public procurement professionals in state and local agencies in the U.S. in the fall of 2025. The goal was to determine the extent that respondents perceived impacts of recent U.S. tariffs on contracts they issue and manage, and to identify promising practices to better navigate tariffs and related uncertainties. The results generally suggest that tariffs are impacting aspects of procurement at the state and local levels, but their effects are largely localized to product and service categories affected by recent tariff policies. A substantial portion of the respondents indicated no perceived effects of tariffs at all. Inflation and rising labor rates were also noted as affecting pricing and delivery reliability, indicating that economic factors beyond U.S. tariff policies are contributing to current uncertainties surrounding public procurement.

Promising practices for dealing with tariffs and related uncertainties were identified as:

- Increased supply chain visibility discerned prior to contract award,
- Issuing multiple awards for the same products and services,
- Purchasing from cooperative contracts to improve reliability and reduce transaction costs,
- Facilitating within and out of contract communications with vendors to identify and respond to market trends, and
- Developing pass-through and price adjustment policies to clearly delineate the conditions under which vendors may request price increases in advance.

A summary observation is that managing such uncertainties increases the administrative time and resources required of contract management and places more pressure on procurement procedures and systems that emphasize certainty and control to accommodate flexibility and adaptability.

Introduction

Today's public procurement environment points to the need for a range of skills, systems, and capabilities for better assessing and responding to changes in supply markets. Global conflicts, inflation, and evolving trade policies affect a wide spectrum of both domestic and international suppliers (Berman, 2025; Saintil, 2025), underscoring the need for procurement evaluations of not only contractor capabilities but the resilience of their underlying supply chains. The COVID-19 public health crisis brought to light the scale of direct and indirect dependence on global supply chains in public purchasing, and the fragilities of many of those supply networks to changes in political and economic conditions (Boyer, 2024; Handfield et al., 2022; Ngo & Dang, 2023; Shivajee et al., 2023). Contemporary changes in international trade, combined with the global integration of supply chains into public purchasing, demonstrate that global uncertainty continues to shape public procurement years after the COVID-19 pandemic. Five years on, questions remain as to how much procurement practices have changed, and how the potentials for disruption are factored into sourcing decisions and the management of sourcing arrangements. Such questions deserve attention given evolving U.S. policies on tariffs, persistent inflation, rising labor costs, and related factors that shape pricing and supply for products and services essential to government operations (CIPS, 2025; EOP, 2025; Ivanov, 2025).

While there is little question that recent changes to U.S. trade policies have affected wide swaths of the U.S. economy (Alessandria et al., 2025; Saintil, 2025; Tedeschi, 2025; Wall Street Journal, 2025), less is known about the extent that such changes impact government purchasing at the local level. Part of the challenge of determining their effects lies in presence of numerous, interrelated factors that make tariff impacts difficult to trace. The effects of recent tariffs may not yet be apparent, for example, as companies may choose to absorb costs to maintain their customers. The terms of tariffs may also be reduced or eliminated as a result of international diplomacy (Masiello et al., 2025). Since the spectrum of U.S. tariffs were launched on "Liberation Day" on April 2, 2025, there have been three subsequent executive orders issued to augment them (Deng & An-Pham, 2025). Changes to these policies have also been met with varying retaliatory tariffs (Contractor, 2025; Cuccaro, 2025), and numerous exceptions to tariff policies have emerged, stemming from individual negotiations with large companies (Auclert et al., 2025). National laws also exempt purchases related to national security from tariff surcharges (Yunkins, 2025). The case-specific and evolving nature of these changes further complicate efforts to trace their effects.

On the one hand, the growing reliance of public purchasing on global supply chains amplifies the exposure of public procurement to tariff-induced cost and supply disruptions. An increasing share of public purchasing relies on global supply chains – either directly or indirectly (GAO, 2020, 2021, 2022). Decades of globalization have also increased the U.S. economy's reliance on imports to a level that exceeds any other country in the world (Contractor, 2025). Tariffs are essentially customs duties paid by a U.S. importer at the port of entry when a product or service arrives to the U.S.

(Contractor, 2025; Procurement, 2025). Such taxes affect any international company selling goods or services in the U.S., effectively raising the costs for acquiring goods and services that are produced outside of the U.S. Tariffs also affect domestic companies that rely on raw materials or related input products from abroad, as approximately 16% of U.S. manufacturing relies on foreign inputs (Contractor, 2025; Manufacturers Alliance, 2024). Given that over half of the goods imported into the U.S. are manufacturing inputs (Manufacturers Alliance, 2024), a large share of which originate from nearshore origins, their effects are likely to extend across broad segments of the U.S. economy.

On the other hand, inflation and labor costs also contribute to uncertainty in the U.S. economy. While inflation has largely moderated, it is high enough to likely affect consumer expectations about the future, and business pricing strategies. Firms often adjust prices in response to higher input costs, wage pressures, and financing costs, while uncertainty about future inflation shortens the time horizon for pricing decisions. As a result, both consumers and purchasing organizations face greater difficulty forecasting costs and budgeting accurately. Even as wage growth steadies, overall compensation levels exceed those before the pandemic, and firms continue to explore areas where they can be passed on to buyers. Combined with U.S. tariffs, these factors likely contribute to a general sense of uncertainty surrounding pricing and lead times in public procurement (Berman, 2025; CIPS, 2025; ISM, 2025). All of which points to the potential for price changes and associated supply disruptions to present themselves at a moment's notice, keeping public procurement professionals off balance.

To explore the perceived impact of recent tariff policies and related economic uncertainties on public procurement, and practical approaches for addressing them, two research questions were developed to guide this study:

Research Question 1: To what extent have lessons from the COVID-19 pandemic, such as emphasizing resilience in award criteria, been institutionalized in procurement practices to evaluate tariff exposure?

Research Question 2: How do public procurement officers verify and validate tariff-related risks related to specific suppliers and broader trends in the supply markets they purchase from?

The following sections present the empirical methods utilized to study these issues, report on the characteristics of the respondents, explain the results of the interview analysis, and conclude with summary lessons and implications from the study.

Research Methodology

To answer the study's research questions, research interviews were conducted with 30 professionals working in public procurement between October – December 2025. The interviewees

were primarily recruited from the membership of NIGP: The Institute of Public Procurement. A contact list of 200 persons from the NIGP membership was first generated randomly from more than 13,000 total members. The 200 members were contacted via email to request their participation in a research interview, with 2-3 subsequent follow-up emails to request participation. All participants to the research interviewees were assured anonymity in their participation and were each offered a copy of the final report and a \$10 Starbucks gift card as a gesture of thanks for their participation. Email messages were returned to the sender for 22 of the potential 200 interviewees, due to changes in their positions and/or email addresses. 17 of the remaining eligible 178 respondents completed research interviews within this timeframe, for an effective participation rate of 10%. Additionally, snowballing was conducted among the interviewed respondents, and direct solicitations were made to known procurement professionals in the author's home state of Texas, which resulted in another 13 procurement professionals participating, for a total of 30 completed interviews.

The interview protocol was developed based on the author's prior research on supply chain vulnerabilities and public procurement during the COVID-19 public health crisis (Boyer, 2024; Boyer et al., 2024; Vecchi et al., 2020), as well as literature reviews on supply market intelligence and public procurement. The aim of the interview questions was to assess how attention to contractor supply chains had changed since COVID-19, to determine the perceived effects of tariffs on contract awards and management, and to explore perceived strategies for addressing tariff impacts in contract management as well as strategies for improving supply market intelligence. The interview protocol also included background information on the interview participants to identify the nature of their experiences working in public procurement. The interview questions contained both structured and unstructured questions, as indicated in Appendix I, to collect information that was highly guided, as well as that which was open-ended (Adams, 2010; Axinn & Pearce, 2006).

The research interviews lasted 30-minutes total on average, they were conducted via Zoom or MS Teams, and the author typed detailed notes from each interview while they were conducted. Follow-on notes and reflections were added to the interview notes at the conclusion of each interview. The length of the total interview transcripts was 169 pages of single-spaced text, including the author's notes. The sampling strategy, including the content of the research interview protocol, the method of requesting consent for participation from the interviewees, and the method of protecting the identities of the research participants was approved by the Institutional Review Board (IRB) at the University of Texas at El Paso in September of 2025.

The qualitative interview data was analyzed by firstly seeking out pre-identified themes, such as technical approaches for developing supply market intelligence, from the interview transcripts. Secondly, the interview transcripts were reviewed in an open-ended fashion, to identify common themes and patterns that emerged from the review of the interviewee comments. As indicated in Appendix II, common themes were then summarized in a codebook, which included a sample

quotation for each code. The codebook was then reapplied to the interview transcripts to develop a count of both the number of textual comments across participants, and among participants. The coding process was conducted through the software application, NVivo. The quantitative information from the first part of the interview was inputted into a spreadsheet in MS Excel, and subsequently analyzed through the statistical program, STATA.

Results: Interviewee Characteristics

Table 1: Interviewee Employers

Type of Organization	Freq.	Percent	Cum.
Local Government Agency	25	83.33	83.33
Other - Nonprofit	1	3.33	86.67
State Government Agency	4	13.33	100
Total	30	100	

The interviewees predominantly worked at the local level of government, though four of them worked for state agencies and one worked for a professional association at the time of the interview. The types of agencies that the respondents worked for at the local level included: city government, county toll road authorities, school districts, a city community development corporation, the procurement department for a county government, a community college, and county appraisal districts. The types of agencies that respondents worked for at the state level included procurement departments, and a state juvenile justice department. The respondents reported wide diversity in their professional titles, though the most common professional title was that of Procurement Director (30% of respondents). All the respondents, except one, reported direct experience working in public procurement, and they had 16 years' experience working in public procurement, on average.

Table 2: Professional Titles of Respondents

Professional Title	Freq.	Percent	Cum.
Acquisition Management Specialist	1	3.33	3.33
Assistant Procurement Director	1	3.33	6.67
Buyer I	1	3.33	10
CEO (nonprofit association)	1	3.33	13.33
Contract Management Specialist	1	3.33	16.67
Dept Purchase Card Coordinator	1	3.33	20
Director of Leased Space	1	3.33	23.33
Director of Purchasing	3	10	33.33
Director, Department of Corrections	1	3.33	36.67
Finance Director	1	3.33	40
Manager Contract Administration	1	3.33	43.33
Procurement Specialist III	1	3.33	46.67
Procurement Specialist IV	1	3.33	50

Professional Title	Freq.	Percent	Cum.
Purchasing Agent	1	3.33	53.33
Purchasing Manager	2	6.67	60
Purchasing Specialist	1	3.33	63.33
Purchasing Manager	1	3.33	66.67
Procurement Director	9	30	96.67
Procurement Officer	1	3.33	100
Total	30	100	

Table 3: Years of Professional Experience

Variable	Obs	Mean	Std. Dev.	Min.	Max
Years' Experience in Current Position	30	5.8	4.8	0.5	20
Years' Experience in Public Procurement	30	15.7	9.4	0	40

The respondents reported working in 10 different states, with nearly half of them being in Texas. They also reported diversity in their educational backgrounds and their gender identities.

Table 4: Respondent Home State

State	Freq.	Percent	Cum.
AZ	1	3.33	3.33
CA	1	3.33	6.67
FL	3	10	16.67
ME	1	3.33	20
MN	1	3.33	23.33
OH	1	3.33	26.67
OR	1	3.33	30
TN	1	3.33	33.33
TX	16	53.33	86.67
VA	4	13.33	100
Total	30	100	

Table 5: Respondent Formal Education Backgrounds

Educational Level	Freq.	Percent	Cum.
Law Degree	1	3.33	50
Associates	2	6.67	6.67
High School	5	16.67	46.67
Bachelor's	7	23.33	30
Masters or eq.	15	50	100
Total	30	100	

Table 6: Respondent Gender

Gender	Freq.	Percent	Cum.
Female	16	53.33	53.33
Male	14	46.67	100
Total	30	100	

The respondents also reported that most of them worked for a centralized procurement office (57% of respondents). 93% of them reported purchasing from state contracts, 77% from national cooperatives, and 47% from GSA contracts.

Table 7: Procurement Office Characteristics

	Freq.	Percent
State Contracts	28	93.33
National Cooperatives	23	76.67
GSA Contracts	14	46.67
Centralized	17	56.67
Decentralized	9	30
Both	4	13.33

Results: Interview Analysis

Contemporary Uncertainties in Public Procurement

Price volatility and potential delivery delays were perceived as the most pressing uncertainties affecting public procurement among the respondents. There is no shortage of evidence indicating the many spikes in prices for critical supplies during the COVID-19 crisis, along with the many factors that disrupted contractor supply chains and the timelines by which procurement officers could expect their orders to be fulfilled (Boyer, 2024; Handfield, 2022; Ngo & Dang, 2023). The evidence presented here indicates that aspects of such uncertainties are perceived to persist today. The price uncertainties in this case pertained not only to the ways that costs for common items proved higher than their initial budget forecasts, but also in respect to rising costs associated with price adjustments. One person, explained, for example,

“You set your budget in the beginning of the year, and you may find that the costs are higher and that inflation may be higher, and this year...they were short in their estimations.”

Additionally, there was less discussion of how formal procedures had been revised to change the ways that budgets were planned to account for potential price escalations, such as building in greater contingency funds in annual planning, and instead more discussion of utilizing existing procedures at a higher rate, including change orders, escalation clauses, and related negotiated

adjustments. The respondents thus indicated that adaptation and adjustment to market changes were conducted more through oversight and discretionary authority, than through changes in policy or procedures.

A related challenge was the perceived decrease in the timeframes by which contractors would agree to hold to their negotiated prices. One person explained, “vendors are less willing to...commit to future pricing...some vendors are not willing to commit to prices in year two because the chemicals themselves are volatile in cost and they cannot predict [what] prices will be in subsequent years.” Other persons indicated the extent that vendors struggled to hold prices under shortened time horizons. One person explained, for example, “we are also seeing more price increases, even before products have shipped...vendors will only hold their prices for a few weeks, [and] that has led to questions from council members about increases [in] cost estimates that had already been approved.” The increased uncertainty around pricing was again explained primarily in respect to adaptive and often labor-intensive adjustments made within their existing policies and rules.

There was also a sense that it is now more difficult to count on contractor lead-times. Numerous participants indicated that they did not have confidence that materials would be delivered within predictable timeframes. Lead times for products like back-up generators, for example, were reported to increase from about six months to two years. There was also a general skepticism of vendors who reported reliance on just-in-time manufacturing. Related concerns were that many smaller companies have gone out of business since COVID-19, which reduced the pool of available vendors. More limited vendor options heightened vulnerability to lead time extensions and delays, as they have fewer substitute suppliers to draw from. One person provided an illustration related to the purchasing of office furniture,

“our lesson from COVID is that we need to be patient. If I need to buy furniture for the building, we have to source it out months before. It takes more time to get supplies...A lot of our vendors are asked whether they can source it here how much the markup will be if the tariffs are involved...but the timeframes are still so extended.”

The sense that long and often uncertain lead times had become more normalized, also led to more advanced planning. One participant, for example, explained planning years in advance for fleet purchasing. Their comments also suggest steering away from more structured purchasing schedules for critical items and instead buying them opportunistically as supply becomes available. There was also mention of greater documentation requested by contractors of their expected lead times and the leanness of the supply chains they depend upon prior to contract award. A key consideration was tracking those who struggled with meeting their deadlines over time, so as to factor that performance into future awards. One person explained,

“We have had manufacturers promise delivery in one month and then [they] take ten months. I kept a scoring sheet to track this. Around 2020, I began using a more formal vendor-tracking system to determine whether our parts department had issues with particular suppliers and whether public works should continue working with them.”

Perceived Causes of Price and Lead Time Uncertainties

While about half of the respondents identified recent tariffs as causes of uncertainties they faced, the other half indicated they were not affected at all, and many other economic causes were also identified. Tariff impacts were explained in respect to increased incidences of price escalation requests and delays affecting their vendors, as well as the cancellation and rebidding of contracts. One person explained the impact in the following way:

“When the tariffs hit, many of our term contracts were affected, and vendors could no longer provide the locked-in pricing they had before. Now, some are canceling orders they cannot fulfill, or the items are on indefinite back order.”

There were also concerns about accurately verifying tariff impacts. Tracking the precise impact on costs is complicated by the ways tariffs on raw materials affect pricing for finished goods, for example. A related issue is the domestic inventory stocks that companies may have already acquired, as many of them stocked up early in 2025 in anticipation of potential tariff surcharges (Contractor, 2025). One person explained,

“We have had some vendors claim that their prices are increasing because of tariffs. They sometimes use it as an umbrella explanation. We know inflation is rising too, so we often have to ask whether it is truly a tariff issue or simply a general price increase.”

Challenges associated with pinpointing tariff impacts has led to greater attention to demand CPI indices, advance notice of potential surcharges, supplier letters and related documentation. Other respondents indicated cases where vendors require price increases before providing documentation, and that the companies that struggled to secure supply in areas affected by tariffs were often those operating at a smaller scale. Respondents also noted the tendency for contractors to cancel orders and delay larger projects, like construction projects, when there were issues securing necessary supplies.

Tariff Impacts were Limited to Particular Areas

The products and services most affected were those where tariffs had not only impacted product categories and countries of origin, but also where items were more linked to global sourcing. Tariff impacts were also more pronounced when there were fewer substitutes from domestic suppliers or suppliers from regions unaffected by tariffs. Examples of areas impacted included construction-related inputs (steel, concrete, lumber, and related building materials); office supplies and paper; and manufactured goods that often rely on imported inputs, like clothing, shoes, and motor

vehicles. There was also some mention of specialized, technology-linked assets being affected, like highway signs, signal controllers, and security systems.

The uneven nature of tariff impacts was evident not only by the limited product and service specifications that the respondents provided, but by the number of respondents who indicated they had not been impacted. One person, for example, explained, “I have not heard anyone complain about the price of supplies or shifting to different vendors because costs have gone up in respect to tariffs.” Another respondent explained that “we are not really feeling those impacts of tariffs on what we are purchasing” or that “tariffs have not even been a consideration.” Another person explained the lack of impact in the following way,

“As for requesting information on tariff impacts, to my knowledge, we have not had anyone that has been affected or [who] has reported anything related to tariffs”

A summary observation is that rather than proving to be a broad shock to procurement, recent tariffs were instead proving to be selective stressors that affected some areas of public purchasing in rather profound ways, but which were largely absent for other categories of acquisition. The narrower effects point again to the likely relevance of more adaptive and responsive reactions to targeted approaches to purchasing, rather than broad policy changes targeted to wider spectrums of product and service categories. It is also important to note that participants attributed price volatility to sources other than tariffs, including inflation and increased labor rates. There were numerous explanations of contractors requesting price adjustments to accommodate higher costs for labor, as well as suggestions of labor rate increases on finished manufactured goods.

Reported Strategies for Addressing Uncertainties

The respondents identified several strategies for addressing the uncertainties they encountered. These approaches included collecting additional information from vendors to discern their potential supply chain vulnerabilities prior to award, issuing multiple awards to different contractors for the same supplies, purchasing from national and state cooperatives who can help to defer risks associated with price and delivery uncertainties, developing more extensive communications with vendors, and developing price adjustment policies to accommodate price increases after award.

Increased Supply Chain Visibility Discerned Prior to Award

While prior procurement practice typically emphasizes the importance of evaluating and measuring demand to determine purchasing needs, the respondents emphasized their increased attention to evaluating conditions of supply. One person explained how they placed more focus on transparency, for example, indicating that “we demand more transparency from our vendors...even if they are local...if they have associations with foreign markets, we ask them to disclose that.” Another person explained how attention to supply was in part a lesson learned from the COVID-19 pandemic. Part of the shift in focus involved asking for supply chain information that had not been

required in the past. Some respondents indicated requesting information on not only prime contractors, but also on any element of the product (finished version or input products) that relied on overseas manufacturing. Requests for this supply chain related information indicated a shift from relying on contractor explanations of their reliability to documentation enabling independent verification of vendor reliability. A comment on this point was explained in the following way,

“When we do our RFPs, they have to report where they get their supplies and whether or not they are from other countries. They have to provide lead-time plans or identify other potential bottlenecks. We don’t just go with what they’ve done before; we want to anticipate any types of bottlenecks or risks.”

It was also apparent that federal and state laws often mandate the verification of foreign inputs on purchasing. For example, many procurement professionals reported working with federal grants with “Buy America” terms that require disclosure of manufacturing origins to be in compliance. Many state governments have also recently enacted statutes that restrict government purchasing from companies located in countries deemed to be adversaries. New York State Governor Kathy Hochul issued an executive order banning contracts from Russia in the aftermath of the Ukraine war, and legislators in states such as Indiana and Michigan have drafted legislation banning purchases from countries deemed to be hostile foreign governments. The State of Florida has also passed similar legislation banning purchases from business in Iran and Syria. Such conditions require information on supply origins. One respondent explained,

“We have countries that we can’t purchase from – we put that into the bid language. We include documentation that they are supposed to disclose”

Issuing Multiple Awards

A second strategy involved the use of multiple awards to mitigate supply risk. The move away from reliance on single vendors towards multiple awards and master contracts was linked in part to the lesson from COVID-19 experiences, when individual suppliers often could not fulfill their commitments. One person explained that “we strongly practice multi-awards...we are trying to get away from single awards.” By using multiple awards, procurement professionals can quickly pivot when shortages arise, or when prices shift dramatically, ensuring operational continuity. According to one respondent, they sought to maintain a second contractor to rely on should the first fail to perform. The approach was seen as offering added security when supply-chain related information was unavailable, so as to provide another means for advancing purchasing decisions. In many cases, reliability and risk reductions were therefore factored into award decisions, deviating from approaches that prioritize lowest price or conventional variations of best-value frameworks. Respondents also explained that large purchasing requirements could be broken down into smaller contracts, to be allocated among multiple providers. This deliberate segmentation was explained in respect to both small purchases, like officer furniture and large-scale items, like statewide contracts for utilities services. One person explained,

“Even local procurement places, the small places, even places like us, realize that it may not be good to put all our goods supplies and services to one vendor.”

Overall, a common observation was the perceived shift away from reliance on a single vendor toward managing a portfolio of suppliers providing similar products and services. This shift was accompanied by increased attention to monitoring of exposure across multiple vendors and contractual terms that prioritized flexibility and adaptability.

Purchasing from Cooperative Contracts

Many local government procurement offices have limited resources for market research and contract awarding to multiple vendors. Another way of mitigating supply risk was noted in the increased use of cooperative contracts, both from national and state-level groups. One person explained, for example, “I have seen a heavy swing toward cooperatives and master agreements to make things more efficient.” While there are long-standing advantages involved in cost-cutting and bargaining leverage achieved from aggregating orders in cooperative contracts, they can also reduce the costs associated with adjusting and augmenting contracts. One person explained, “I don’t want to be stuck with them, I don’t want to deal with protests, I use the coops instead.” Another explained how the cooperative contracts negotiated on their behalf provided access to a diversity of suppliers. These options also reduced supply risk surrounding tariffs and other potential price increases, given that the terms of cooperative contracts are typically long-term and shift pricing risks onto contractors. Some of the respondents also indicated serving as the lead agencies in national and state cooperatives.

Respondents also noted the potential for cooperatives to improve their understanding of supply market trends, through trainings, workshops and informational materials on market conditions. Many respondents also noted their inclination to consult cooperative representatives to better understand broader market conditions. Examples indicated by respondents included NASPO ValuePoint, and Sourcewell, among others.

Improving Vendor Communications

Vendor meetings outside of formal contracts were also viewed as important sources of information for understanding market dynamics. For many procurement professionals working in smaller jurisdictions, vendor roundtables and similar meetings offered avenues for keeping up with broader supply market trends. One person explained how, “these meetings help us understand what’s available, discuss challenges, and identify whether changes in our processes or thresholds could make procurement more efficient and responsive.” Interacting with vendors in these ways illustrated an ongoing transition from transactional vendor relationships to those that are more collaborative. Respondents also mentioned inviting vendors to regionally hosted procurement conferences, discussing market trends during vendor exhibits, and participating in conference-based roundtables. Vendor engagement also occurred through requests for information (RFIs) and

pre-solicitation meetings. Some respondents also mentioned examples of state-level efforts to institutionalize vendor outreach. The person explained,

“We are establishing a vendor outreach office within the division...We have a section of procurement dedicated to helping vendors and guiding them through the process. We want more people to bid on our projects. In the past we would just issue an RFP and expect people to show up, but now we want to hold vendor conferences and create a stronger vendor outreach program to increase participation.”

Given that many local procurement professionals serve in administrative capacities where they may be the only (or one of a few) administrators working in procurement for their jurisdiction, vendor interactions offer access to information that they may be unable to research on their own.

Another leading reason for developing and sustaining relationships with vendors was to secure more favorable terms if prices or availability changed. A core lesson from the COVID-19 public health crisis was the importance of having reliable, trusted vendors who could help secure products and services in the event of market-wide disruptions. Communicating with their vendors beyond email, for example, can improve interactions and mutual understanding. One person explained, “we really collaborate with our contractors...we do ongoing relationships with them, and we can see what strategies they are employing.” The suppliers, after all, can provide unique insights on forward-looking market intelligence that can affect the timing and sequencing of their purchasing. Vendor feedback was also perceived to assist other aspects of procurement design, to develop solicitation processes and contract thresholds and timelines that can encourage their participation and expedite delivery.

Pass-Through Policies, Price Adjustments and Escalators

Price volatility demanded changes to make price increases in existing contracts in many cases among the respondents. Nearly half of the respondents reported increased attention to price adjustment clauses - both in respect to their planning for tariff impacts on existing contracts, and in respect to requests for price changes from their contractors. There is no shortage of guidance on establishing price adjustment policies in respect to price volatility resulting from tariffs (Bevis, 2025; Cuccaro, 2025; Masiello et al., 2025; Yunkins, 2025). A central component of such clauses involves the clarification of the conditions by which such escalations can be accommodated. As pass-through pricing is not automatic, formal requests, with reliable documentation, inform decisions on such changes. One person explained,

“We put together a tariff procurement protocol for reviewing requests for price changes and the documentation we would need...In some cases, we amend existing contracts to permit a tariff-related increase, with documentation.”

A broader lesson from the respondents was not only the utility of such conditions on contracts, but the general need for more overall flexibility in contract management. While there were some

mentions of unit-level policies specifying the conditions for allowing price escalations in existing contracts, the broader trend was towards case-by-case adjustments within existing frameworks. Another important point is how the knowledge of suppliers influences the terms by which price adjustments can be accommodated, as some contractors may be able to absorb some or all of the price increases, yet others would not have the margins within which to do so. Balancing this risk is likely to prove especially important in markets where there are limited numbers of sellers, and where priority is given to local suppliers who operate a lower scale.

Given the long-standing preference for fixed-price contracting, developing consistent and reliable mechanisms for allowing document-based pass-throughs is likely to prove critical under current market conditions. While the price adjustment practices were generally considered to be more prevalent, they were also subject to scrutiny and layered verifications, implying the need for ongoing efforts to balance fiscal responsibility with market conditions.

Conclusions

The results presented here provide insights into the current state of public procurement in local government today, along with sample techniques that can aid procurement professionals in reducing risks associated with pricing and delivery. A summary observation is that transaction costs – the administrative costs associated with developing, executing and modifying contracts – are perceived to be higher than in the past. This was evident in the perceived increase in change orders and related contract modifications, contract cancellations and rebidding procedures, long-term planning around supplier reliability, and the higher levels of vetting of contractors with ties to foreign markets. In respect to the first research questions, this generally implies that while some procedural changes were made after COVID-19, discretionary work continues to adapt more rapidly to price and delivery volatility than the formal procedures and processes. This also indicates that the costs of purchasing from the market are likely increasing for public agencies, as is often explained in respect to the total costs of ownership and transaction cost economics. Put differently, the costs of market-provided goods and services are rising along with the costs associated with identifying and securing them for public use.

The results also indicate that monitoring and responding to global uncertainties affecting procurement is likely to involve monitoring not only tariff policies, but other macroeconomic conditions, such as inflation and rising labor costs. Since tariff impacts on public procurement likely depend on the product and service categories being purchased, it may prove more effective to develop adapting practices rather than across the board policy changes to address them.

Comments from respondents also provide indications of promising practices for dealing with the current conditions that affect pricing and reliability, in respect to the second research question. The analysis points to the value of:

- Increasing supply chain visibility prior to contract award,

- Issuing multiple awards for critical products and services,
- Purchasing from cooperative contracts,
- Facilitating within and out of contract communications with vendors, and
- Updating price adjustment policies.

While some of these approaches have been highlighted previously as promising practices for coping with tariffs and associated market disruptions, such as issuing multiple awards and establishing price adjustment policies, the results presented here also speak to the potential value of requiring additional supply chain related information from vendors before contract award, the facilitation of vendor communications, and the use of cooperative contracts.

Given that this study consulted only 30 procurement professionals, it cannot be assumed that the results from the research represent the full spectrum of conditions faced by local government procurement professionals in the U.S. Yet, the diversity of respondents consulted in the interviews and the convergence of themes across the discussions with them, indicates some areas of similarity that are likely to relate to broader scopes of procurement practice. Furthermore, the in-depth nature of the conversations sheds a unique perspective on the types of challenges that they face and their approaches for addressing them.

Despite these research limitations, this study provides a unique perspective on ways that public procurement professionals may recognize and adapt to market changes affecting their contractors. Given the ongoing evolution of tariff policies in the U.S., such insights are likely to prove critical for the practice of public procurement.

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Table and Figures

Table 1: Interviewee Employers

Type of Organization	Freq.	Percent	Cum.
Local Government Agency	25	83.33	83.33
Other - Nonprofit	1	3.33	86.67
State Government Agency	4	13.33	100
Total	30	100	

Table 2: Professional Titles of Respondents

Professional Title	Freq.	Percent	Cum.
Acquisition Management Specialist	1	3.33	3.33
Assistant Procurement Director	1	3.33	6.67
Buyer I	1	3.33	10
CEO (nonprofit association)	1	3.33	13.33
Contract Management Specialist	1	3.33	16.67
Dept Purchase Card Coordinator	1	3.33	20
Director of Leased Space	1	3.33	23.33
Director of Purchasing	3	10	33.33
Director, Department of Corrections	1	3.33	36.67
Finance Director	1	3.33	40
Manager Contract Administration	1	3.33	43.33
Procurement Specialist III	1	3.33	46.67
Procurement Specialist IV	1	3.33	50

Professional Title	Freq.	Percent	Cum.
Purchasing Agent	1	3.33	53.33
Purchasing Manager	2	6.67	60
Purchasing Specialist	1	3.33	63.33
Purchasing Manager	1	3.33	66.67
Procurement Director	9	30	96.67
Procurement Officer	1	3.33	100
Total	30	100	

Table 3: Years of Professional Experience

Variable	Obs	Mean	Std. Dev.	Min.	Max
Years' Experience in Current Position	30	5.8	4.8	0.5	20
Years' Experience in Public Procurement	30	15.7	9.4	0	40

Table 4: Respondent Home State

State	Freq.	Percent	Cum.
AZ	1	3.33	3.33
CA	1	3.33	6.67
FL	3	10	16.67
ME	1	3.33	20
MN	1	3.33	23.33
OH	1	3.33	26.67
OR	1	3.33	30
TN	1	3.33	33.33
TX	16	53.33	86.67
VA	4	13.33	100
Total	30	100	

Table 5: Respondent Formal Education Backgrounds

Educational Level	Freq.	Percent	Cum.
Law Degree	1	3.33	50
Associates	2	6.67	6.67
High School	5	16.67	46.67
Bachelor's	7	23.33	30
Masters or eq.	15	50	100
Total	30	100	

Table 6: Respondent Gender

Gender	Freq.	Percent	Cum.
Female	16	53.33	53.33
Male	14	46.67	100
Total	30	100	

Table 7: Procurement Office Characteristics

	Freq.	Percent
State Contracts	28	93.33
National Cooperatives	23	76.67
GSA Contracts	14	46.67
Centralized	17	56.67
Decentralized	9	30
Both	4	13.33

Appendix I: Research Interview Protocol

Interview Questions

1. Can you please explain the extent that procurement officers have changed how they purchase from contractors (vendors) who rely on global supply chains, in respect to lessons-learned from the COVID-19 public health crisis or other recent emergencies?

Prompts:

- How do you evaluate the potential impacts of tariffs on contractor pricing and reliability prior to contract award? Do you rely on self-reporting?
- Do you request information on country of origin, port of entry, and/or HTSUS codes, and/or SAM.gov registration?
- Do you feel you can transfer the risk of pricing and reliability on contractors pre-award?
- What do you see as the value of providing multi-awards to mitigate pricing and reliability risks?
- Do you utilize a tariff-based price adjustment policy?

2. What do you see as the most important criteria for selecting contractors (vendors)?

Prompts:

- How important to do you see each of the following?
 - Quality (meeting the standard and/or specification required)
 - Quantity (assurance that the contractor can meet the demand)
 - Delivery (potential for the order to meet deadlines required of delivery)
 - Price (the cost per unit of purchase)
 - Service (the potential for the contractor to change orders, or adjust for clerical errors or misunderstandings per the government's requirements)
 - Reliability (the ability to fulfill orders under agreed-upon terms)

3. What types of products or commodities are most important for supply chain reliance. What categories are you most concerned about?

- Are these the same categories you are concerned about regarding tariff impacts?

4. What do you see as the most promising means for improving market intelligence about global economic, political, and industry factors that can disrupt your access to critical supplies that you purchase from your contractors?

Prompts:

- How important do you think it is to consider:
 - Industry meetings with vendors can improve an understanding of trends and potential and future disruptions in contractor supply chains (incl. pre-solicitation meetings).
 - Aggregate purchasing data for identifying global economic, political, and industry factors that can disrupt your access to critical supplies that depend on global supply chains.
 - Procurement IQ, Commodities reports from NASPO or related sources (NASPO ValuePoint), inflation reports, Altana, IBISWorld, Harmonized Tariff Schedule of the United States (HTSUS) pursuant to U.S.C. § 1202, official notices posted in the Federal Register under Section 232, 301 or 201 authorities, procedural standards established in Title 19 of the Code of Federal Regulations (CFR)

5. Is there anything else that you would like to add?

Appendix II: Interview Analysis Codebook

Coded Theme	Sub-Theme	Illustrative Quotation	Comment Count	% Stating the Code
Contemporary Uncertainties in Public Procurement	Price Uncertainty	Yes, probably the biggest the change is the uncertainty of it all. We have to be more flexible in allowing price increases.	24	63%
Contemporary Uncertainties in Public Procurement	Delivery Uncertainty	There are fewer vendors available to fulfill contracts, and distance and quantity issues are more pronounced...Delivery times have increased, and there's a lot of uncertainty—if a delivery date is listed as 14 days, it is now harder to trust that information.	9	30%
Increased Transaction Costs		We have seen more price escalations and adjustments in general.	24	63%
Perceived Causes of Price and Lead Time Uncertainty	Tariffs	When the tariffs hit, many of our term contracts were affected, and vendors could no longer provide the locked-in pricing they had before. Now, some are canceling orders they cannot fulfill, or the items are on indefinite back order.	25	47%
Perceived Causes of Price and Lead Time Uncertainty	Other economic factors	Inflation has made it difficult to stretch funds, and departments are running out of money earlier in the year.	8	23%

Techniques to Address Global Uncertainties	Increased Supply Chain Visibility Discerned Prior to Award	It's a big shift in our industry. We have shifted from a more tactical approach to a more strategic approach. It has changed how we procure things. We demand more transparency from our vendors, even if they are local. If they have foreign associations, we ask them to disclose that.	15	37%
Techniques to Address Global Uncertainties	Issuing Multiple Awards	One thing that we started doing that we didn't do in the past...we award multiple contractors, so that if one doesn't have it, we have more than one that we can go to.	20	50%
Techniques to Address Global Uncertainties	Purchasing from Cooperative Contracts	We buy from different cooperatives. They all have different rebates and setups....It would be helpful to have more interaction with the cooperatives, to learn how they are negotiating.	10	33%
Techniques to Address Global Uncertainties	Out of Contract Vendor Communications	We hold vendor meetings, and stay in touch with them, so we have a good sense of how the market looks. We work with a limited pool of vendors and already have close relationships with many of them. We're always asking whether we'll get the best value by going out earlier or later, and how we can best serve as stewards of taxpayer funds. We stay in active communication with our vendors.	21	57%
Techniques to Address Global Uncertainties	Pass-Through Policies, Price Adjustments and Escalators	The approach that we have taken is to include a clause that allows a pass-through if tariffs are imposed. What doesn't work is to hold a supplier to firm fixed price, when there are those market changes that are thrust upon them. We don't want to rebid.	15	40%

This research is made possible through the generous support of OMNIA Partners, Official Research Sponsor of the 2025 Center for the Advancement of Research and Excellence Call for Research. NIGP values their partnership and shared commitment to advancing knowledge, excellence, and impact in public procurement.

