



Tariffs and Key Issues Impacting Procurement

Procurement Services is actively monitoring federal policies, regulations, and legislative developments that may affect procurement activities. As these changes evolve rapidly, their full implications remain uncertain. Updates will be provided as new information becomes available - please check our website regularly or contact Procurement Services directly for guidance.

Understanding Tariffs

A tariff is a government-imposed tax or duty on imported goods (typically not services). The importing business pays this fee to its government, often passing the cost on to the customer. If purchasing directly from a manufacturer, shipping carriers like UPS or FedEx may pay the duty upfront and invoice the customer afterward.

Do Existing Contracts Protect USD from Tariffs?

Whether USD is legally obligated to pay tariffs under an existing contract depends on:

1. Whether the contract or quote explicitly addresses tariffs
2. Whether it includes shipping and handling fees
3. Whether it covers reimbursable expenses tied to services that include goods
4. The timing of when the contract or quote was executed

For contract-specific questions, please reach out to Procurement Services.

Best Practices for Navigating Tariffs

To protect university resources and uphold USD's mission, departments are encouraged to follow these procurement best practices:

Use University-Wide Contracts and Agreements via Unimarket

Purchasing through USD's established contracts in the e-Procurement system (Unimarket) ensures:

- Pre-negotiated pricing, delivery, and payment terms
- Greater leverage with suppliers to prevent unexpected changes
- Potential for Procurement Services to negotiate reduced or waived surcharges

Apply for Tariff Exemptions (When Eligible)

- Scientific instruments may qualify for duty exemptions if no similar U.S.-made product exists
- Procurement Services can assist with exemption applications
- Consult Procurement Services ***before*** placing orders for foreign-made scientific equipment—the exemption process can be complex and time-consuming

Validate Supplier Pricing and Tariff Claims

- Services are generally not subject to tariffs—additional charges must be justified
- Do not accept tariff-related fees without transparency
- Require suppliers to provide documentation such as:
 - Country of origin and product composition
 - Certificate of Origin (CoO), Declaration of Origin, Tariff Schedule, or Bill of Lading
 - Confirm all shipping charges and deadlines
 - If final tariff costs are variable until shipment, plan based on current tariff percentages and origin country. Contact Procurement Services for assistance.

Plan Ahead and Confirm Delivery Timelines

- Consider advance purchases to avoid future tariff increases
- Tariffs may slow supply chains or reduce supplier inventory
- Document delivery schedules and request regular updates

Tariff-Related Price Adjustments

Before accepting any tariff-related price increase, suppliers must provide documentation that:

- Defines the goods or raw materials involved
- Identifies applicable import duty or tariff schedules
- Demonstrates payment of the stated tariff. Contact Procurement Services for assistance.

External Resources

For further reference, see the [Office of the United States Trade Representative](#)