Emerging Contract Trends in Higher Education

CONCORD'S 2025 MARKET REPORT
BASED ON OUR SURVEY OF HIGHER EDUCATION LEADERS

EXECUTIVE SUMMARY

This report examines the evolving landscape of contract lifecycle management (CLM) in U.S. higher education institutions between 2023 and 2025. Based on industry data, case studies, and professional insights, we identify key trends, challenges, and opportunities for university administrators. The research highlights a significant shift toward digital transformation, centralized procurement, and strategic partnerships as institutions navigate financial pressures and increasing regulatory complexity.

Higher education institutions face unique contract management challenges due to their decentralized nature, diverse stakeholder groups, and complex regulatory environment. This report provides actionable insights for administrators seeking to modernize their contract management practices, reduce costs, and improve operational efficiency while maintaining academic values and institutional missions.

SIX CONTRACT MANAGEMENT TRENDS

This report examines **six critical contract management trends** reshaping higher education operations:

1 **Cooperative purchasing networks** are delivering 10-15% average savings while reducing procurement timelines by up to 70%, with institutions increasingly applying this approach beyond traditional categories to include cloud computing, specialized research equipment, and professional services.

2 **Public-private partnerships** have expanded significantly, with 74% of university leaders reporting growth in these arrangements that now encompass research collaborations, IP commercialization, real estate development, and emerging technology implementations—particularly AI solutions.

3 **Data security requirements** have become non-negotiable in vendor contracts as institutions face over 3,000 attacks annually with average breach costs of $3.65 million, driving the implementation of detailed Data Privacy Addendums and mandatory security assessments.

4 **Labor relations complexity** has intensified with unionized graduate student workers increasing by 133% since 2012 and approximately 25% of faculty now belonging to unions, creating new contract management challenges for administration.

5 **Contingent workforce management** has evolved as institutions increasingly rely on short-term, grant-funded, and project-based positions, necessitating sophisticated approaches to contract communication, knowledge retention, and organizational stability.

6 **Emergency provisions** have been significantly expanded post-pandemic, with force majeure clauses now appearing more frequently across faculty appointments, vendor agreements, and facility contracts, though requiring careful balance to maintain stakeholder trust.

1. Cooperative purchasing: strength in numbers

CURRENT LANDSCAPE

Cooperative purchasing networks (also known as Group Purchasing Organizations or GPOs) have become increasingly popular in higher education. These consortia allow institutions to leverage collective buying power through pre-negotiated contracts for common goods and services.

The trend spans institutions of all sizes, with community colleges and major research universities alike joining purchasing cooperatives to:
- Access competitive pricing without conducting their own RFPs
- Reduce procurement administrative costs
- Tap into specialized expertise for complex purchases
- Meet supplier diversity goals more effectively
- Streamline compliance with public procurement requirements

The inefficiency of individual procurement efforts becomes clear when examining resource utilization. A procurement director at a mid-sized university noted in a recent forum:

"We were spending 6-8 weeks running competitive solicitations for lab equipment that other universities had already vetted extensively. It was reinventing the wheel every time, and our scientists were frustrated by the delays. Moving to cooperative contracts cut our procurement timeline by 70% for these purchases."

Many smaller institutions lack specialized procurement staff but face the same purchasing challenges as larger universities. Cooperative purchasing helps level the playing field by giving them access to professionally negotiated contracts.
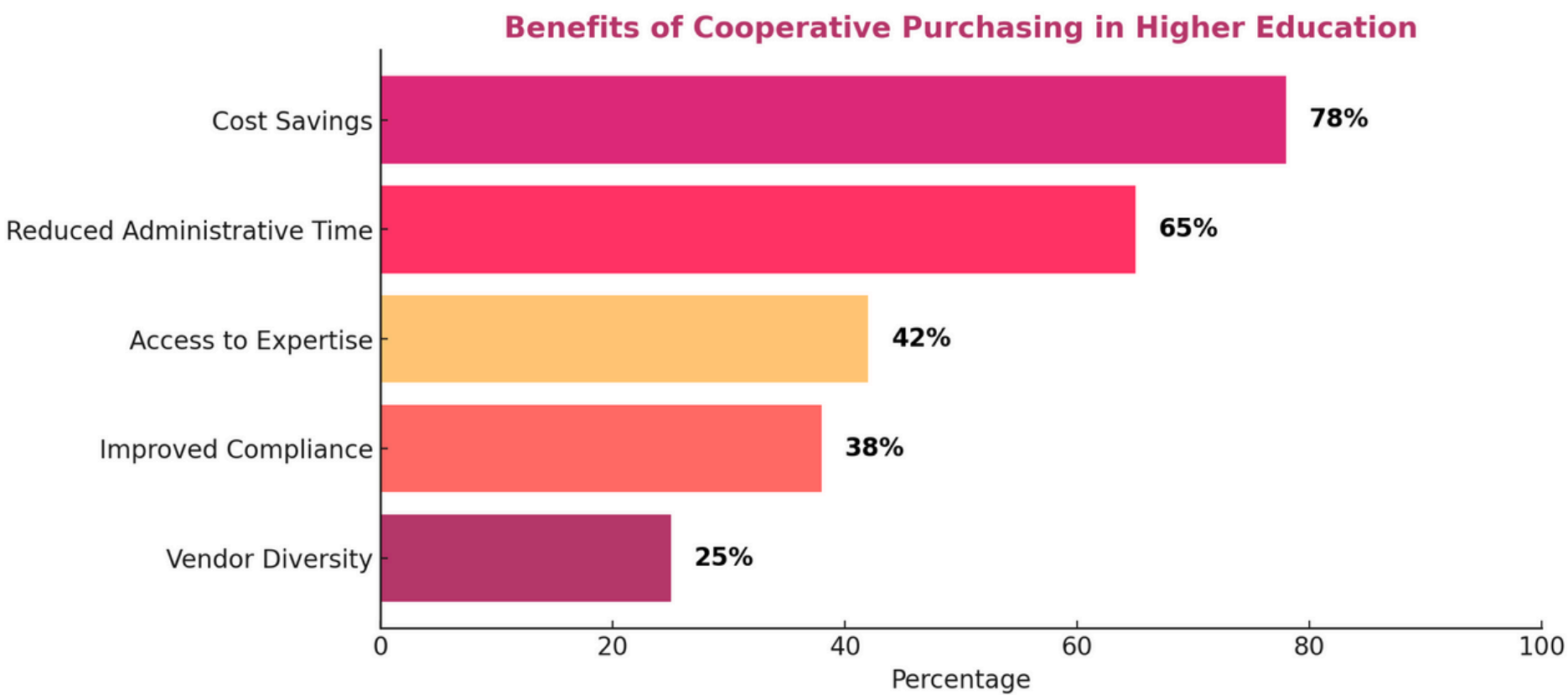
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EMERGING TREND

More institutions are expanding their participation in cooperative agreements beyond traditional categories like office supplies and laboratory equipment.

Modern cooperatives now offer contracts for:
- Cloud computing and IT services
- Specialized research equipment
- Facilities maintenance and construction
- Healthcare products and services
- Professional services and consulting

The E&I Cooperative, one of the largest higher education purchasing groups, reports that member institutions save an average of 10-15% through cooperative contracts, with **some categories showing savings of up to 35%** compared to individual negotiations. These savings come not just from pricing but from reduced administrative costs and faster implementation timelines.

Benefits of Cooperative Purchasing in Higher Education

Benefit	Percentage
Cost Savings	78%
Reduced Administrative Time	65%
Access to Expertise	42%
Improved Compliance	38%
Vendor Diversity	25%

Percentage of institutions reporting each benefit as a significant advantage of participating in cooperative purchasing agreements.

ACTION ITEMS FOR ADMINISTRATORS

1 **Inventory current cooperative memberships** and evaluate utilization rates, actual savings, and contract performance.

2 **Research available higher education purchasing cooperatives** including E&I, Sourcewell, OMNIA Partners, and state-level educational cooperatives.

3 **Calculate the potential ROI** of using cooperative contracts versus conducting individual competitive solicitations, factoring in both price savings and administrative costs.

4 **Develop clear policies** for when departments should use cooperative contracts versus conducting their own bids.

5 **Train procurement and departmental staff** on available cooperative contracts and how to leverage them effectively.

2. Public-private partnerships: strategic collaborations

CURRENT LANDSCAPE

Public-private partnerships (P3s) have reached new heights in the 2023-2025 period, with **74% of university leaders reporting growth in these arrangements at their institutions**. These collaborations extend far beyond traditional areas like student housing to include:

- Research and development partnerships
- IP commercialization agreements
- Real estate development projects
- Energy and sustainability initiatives
- Workforce training programs
- Health and wellness services
- Technology implementations, particularly AI

The primary drivers behind this trend include access to specialized expertise, accelerated project execution, and external capital—all crucial advantages in an era of tight budgets and rapid technological change.
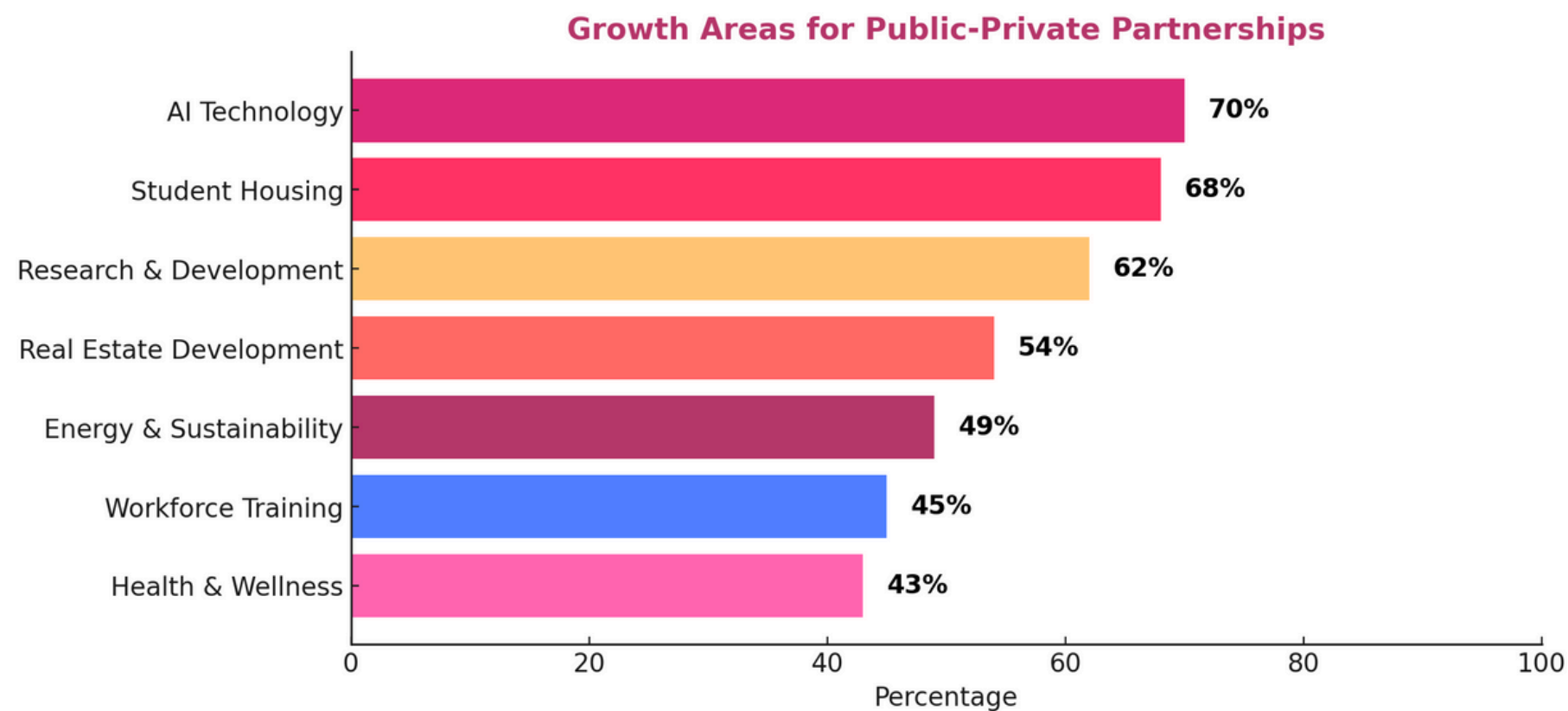
EMERGING TREND

The scope of P3s is expanding, with particular growth in technology partnerships.

Approximately 70% of higher education leaders plan to collaborate with private firms on AI solutions, recognizing the need for external expertise in this rapidly evolving field.

Growth Areas for Public-Private Partnerships

Area	Percentage
AI Technology	70%
Student Housing	68%
Research & Development	62%
Real Estate Development	54%
Energy & Sustainability	49%
Workforce Training	45%
Health & Wellness	43%

Percentage

The rapid increase in security requirements in vendor contracts reflects growing awareness of cyber risks in higher education.

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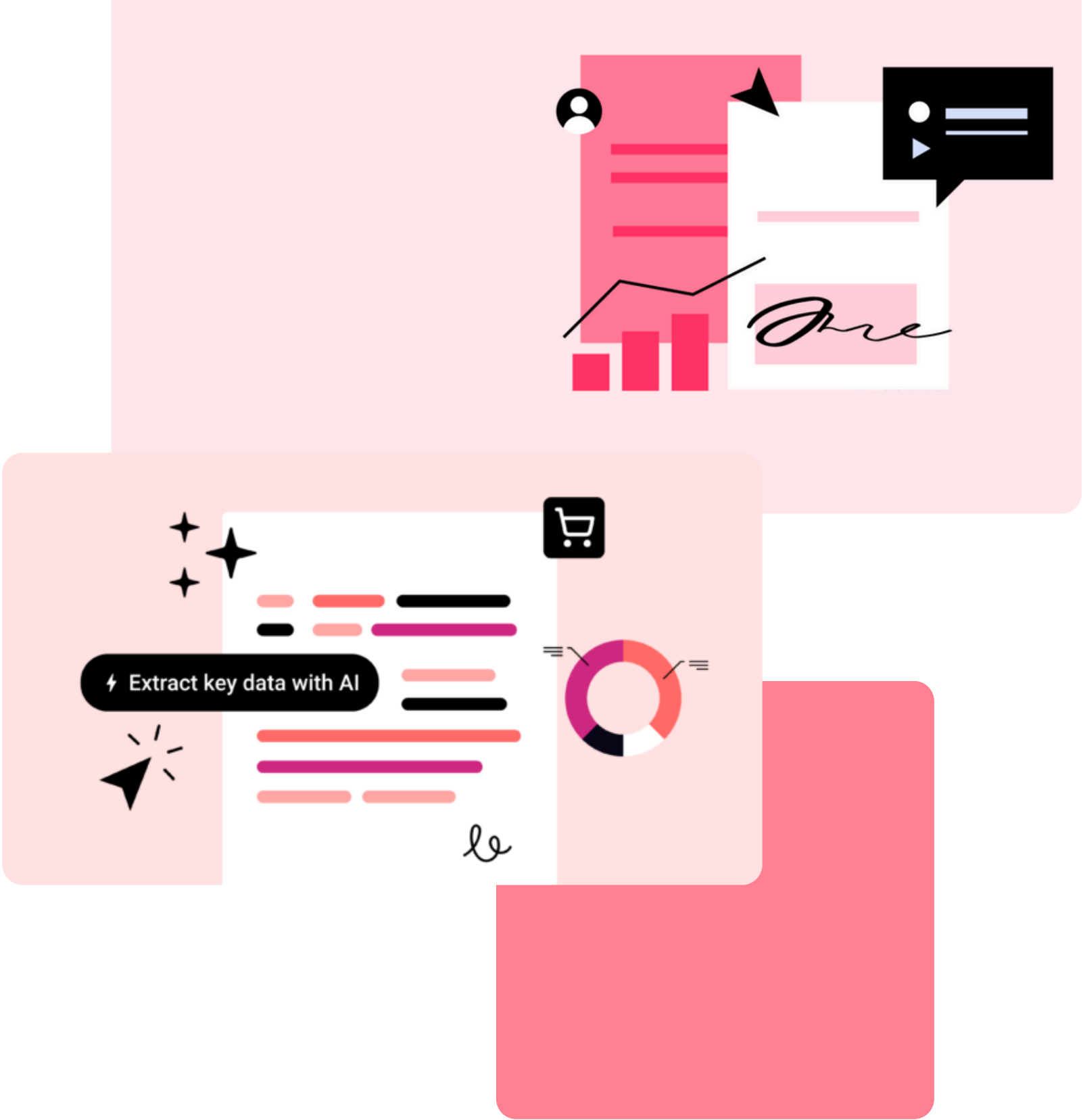
ACTION ITEMS FOR ADMINISTRATORS

1 **Conduct a strategic assessment** to identify areas where private partnerships could accelerate institutional goals or provide needed resources.

2 **Develop clear evaluation criteria** for potential partnerships, including alignment with mission, financial impact, and risk allocation.

3 **Create a standardized partnership agreement framework** that protects institutional interests while remaining attractive to private partners.

4 **Establish governance structures** for oversight of major partnerships, ensuring appropriate academic input and administrative accountability.

5 **Build internal capacity** for partnership management, recognizing that these complex relationships require ongoing attention and assessment.

9

3. Data security and privacy: non-negotiable requirements

CURRENT LANDSCAPE

The higher education sector faces significant cybersecurity threats, with institutions experiencing an **average of over 3,000 attacks per organization** annually. With each data breach costing an average of **$3.65 million** to remedy, the stakes for proper contract management in this area are extremely high.

Universities hold vast amounts of sensitive information—from student records protected by FERPA to research data, intellectual property, and personal information—making them attractive targets for cyber criminals. Consequently, data protection has become a central focus in vendor contracts, particularly those involving:
- Learning management systems
- Student information systems
- Cloud services and data storage
- Research collaboration platforms
- Financial and HR systems

EMERGING TREND

Institutions are increasingly treating data security and privacy as non-negotiable elements in vendor contracts.

Key practices include:
- Detailed Data Privacy Addendums (DPAs) with all technology vendors
- Mandatory security assessments before contract execution
- Specific breach notification requirements
- Vendor liability for data exposures
- Third-party security certifications (SOC 2, ISO 27001, etc.)

Higher education cybersecurity statistics

Average attacks per institution annually: **3,086**
Average data breach cost: **$3.65 million**
Institutions experiencing breaches in past year: **17%**
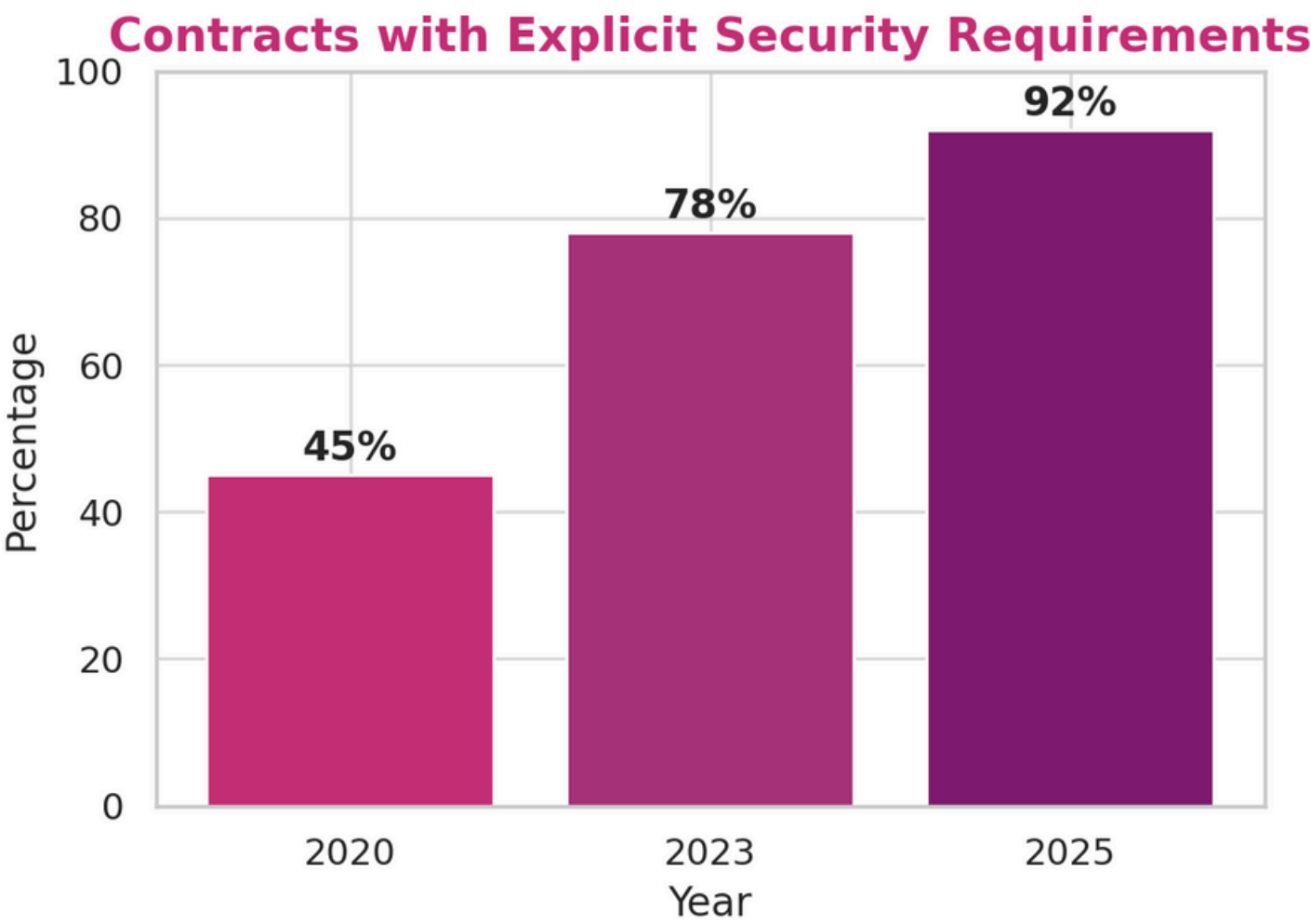
Contracts with Explicit Security Requirements

The rapid increase in security requirements in vendor contracts reflects growing awareness of cyber risks in higher education.

ACTION ITEMS FOR ADMINISTRATORS

1 **Develop a comprehensive data security checklist** for vendor evaluations, customized to institutional risk tolerance and regulatory requirements.

2 **Create standard contract language** for data security and privacy provisions that can be incorporated into all technology agreements.

3 **Implement a vendor risk assessment process** that evaluates security practices before contract execution.

4 **Consider requiring cyber insurance coverage** from vendors handling sensitive institutional data.

5 **Conduct regular security reviews** of existing vendor relationships to ensure ongoing compliance with evolving best practices.

Emerging Contract Trends in Higher Education

4. Labor relations: the unionization wave

CURRENT LANDSCAPE

Higher education has experienced a significant increase in unionization activity, creating new contract management challenges for administrators. Key statistics illuminate this trend:

- Unionized graduate student workers increased by **133%** from 2012 to early 2024
- **38% of graduate assistants** nationwide are now unionized
- Approximately **one in four faculty members** (over 400,000) belong to unions

This surge in unionization means many institutions are now negotiating collective bargaining agreements (CBAs) for the first time or dealing with larger, more organized employee groups.

133%

increase in unionized graduate student workers from 2012 to 2024.
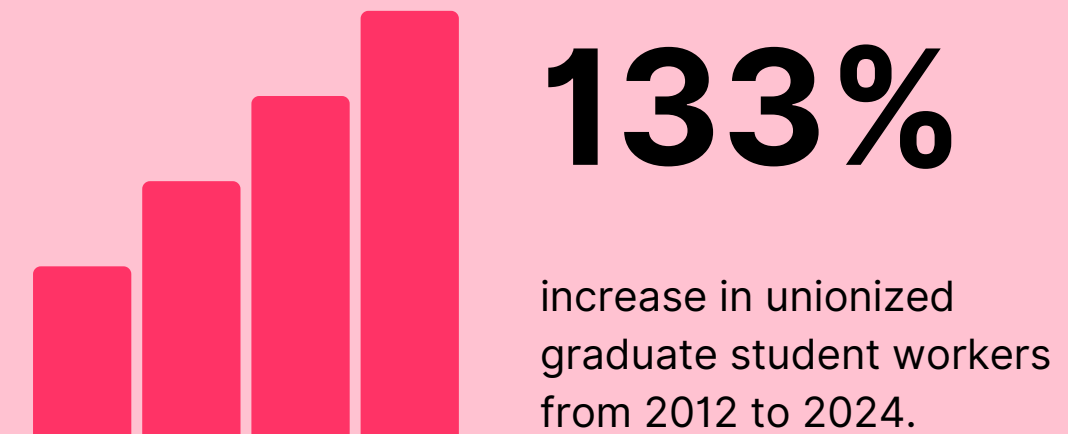
EMERGING TREND

The expansion of unionization is creating more complex labor contract landscapes on campuses.

These agreements require careful negotiation, implementation across multiple departments, and ongoing compliance monitoring. High-profile strikes at major universities in recent years have highlighted the importance of effective labor contract management.

Growth in Higher Education Unionization (2012-2024)
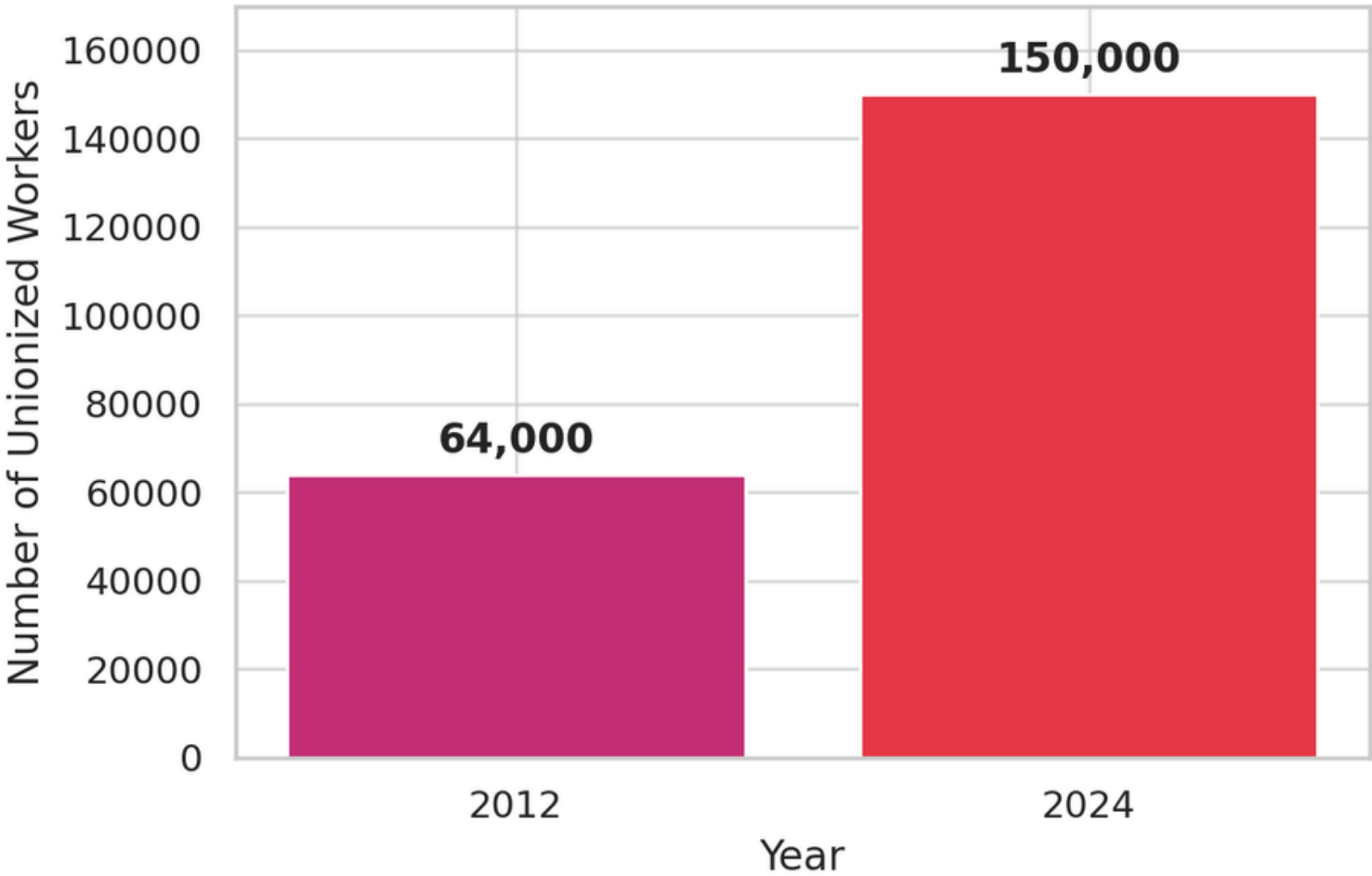
The percentage of graduate student workers in unions has increased by 133% since 2012, with 38% of graduate students and 25% of faculty now unionized.

ACTION ITEMS FOR ADMINISTRATORS

1 **Benchmark labor contracts at peer institutions** to understand standard terms and conditions in your region and institutional category.

2 **Develop a comprehensive labor relations strategy** that addresses both unionized and non-unionized employee groups.

3 **Create cross-functional implementation teams** for collective bargaining agreements to ensure consistent application across campus.

4 **Establish clear processes for addressing grievances** and contract interpretation questions that may arise.

5 **Invest in contract management systems** that can track labor agreement compliance and key dates for renegotiation.

5. Short-term staffing: the contingent workforce reality

CURRENT LANDSCAPE

Higher education institutions increasingly rely on contingent contracts for staff and faculty positions, often tied to external funding sources such as grants, donations, or special projects. This approach provides budgetary flexibility but creates unique contract management challenges:

- Year-to-year or term appointment contracts
- Grant-funded positions with uncertain renewal prospects
- Project-based staffing arrangements
- Part-time and adjunct faculty appointments
- Professional service contracts for specialized expertise

These short-term arrangements can lead to higher turnover, continuous onboarding requirements, and challenges in maintaining institutional knowledge.
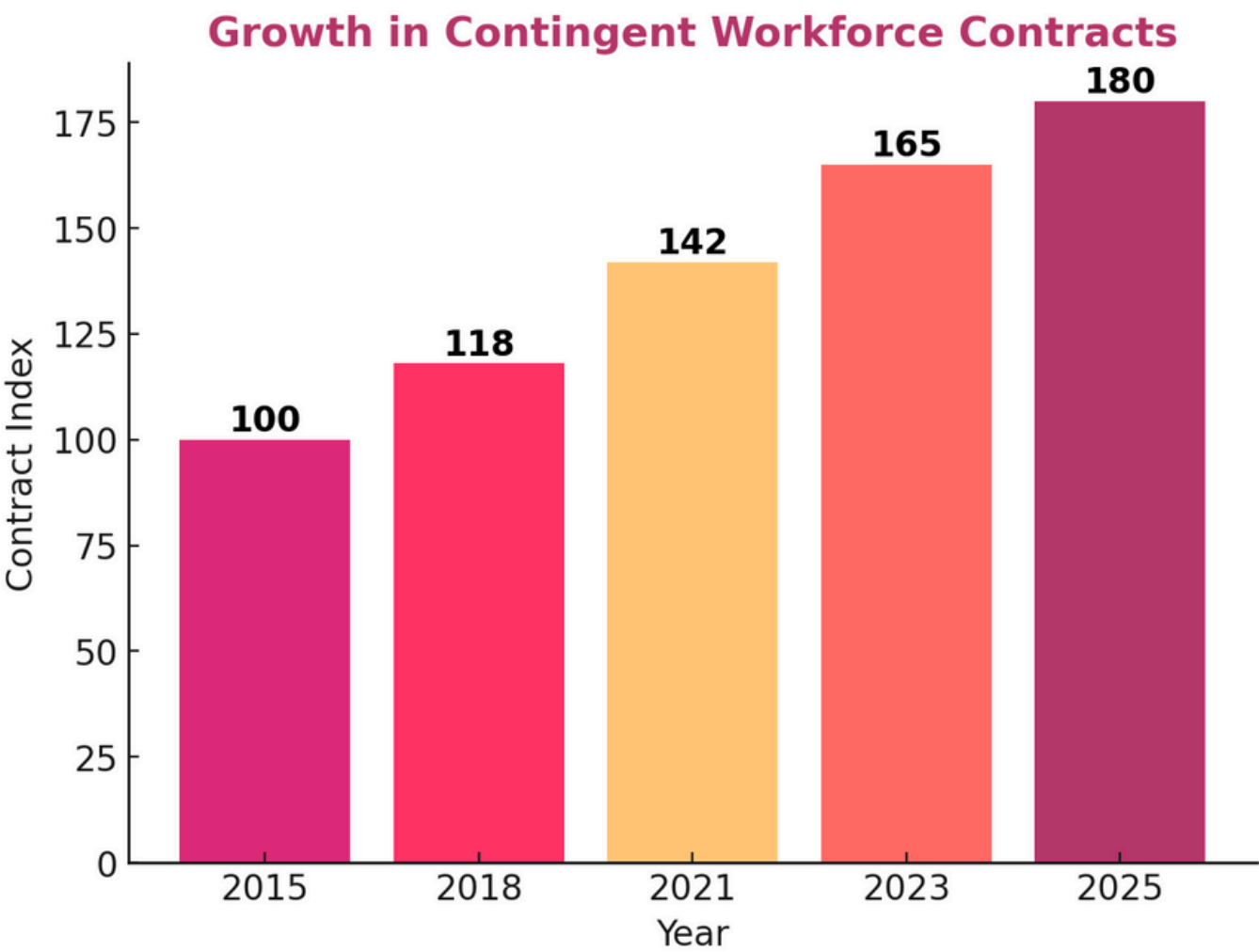
EMERGING TREND

As budget pressures continue, institutions are developing more sophisticated approaches to managing contingent workforce contracts.

This includes clearer communication about funding contingencies, potential pathways to permanent positions, and strategies to retain institutional knowledge despite staff turnover.

Indexed growth in contingent employment contracts (2015=100), reflecting higher education's increasing reliance on grant-funded, temporary, and project-based positions.

ACTION ITEMS FOR ADMINISTRATORS

1 **Create clear contract templates** for different types of contingent positions that transparently communicate terms and funding dependencies.

2 **Develop a contingency planning process** for grant-funded positions, identifying potential continuation paths before funding ends.

3 **Implement knowledge transfer protocols** to preserve institutional expertise when contingent staff depart.

4 **Consider multi-year contracts** for critical roles where possible, even if funding remains contingent on grants or donations.

5 **Monitor the institution-wide balance** between permanent and contingent positions to ensure organizational stability.

Emerging Contract Trends in Higher Education
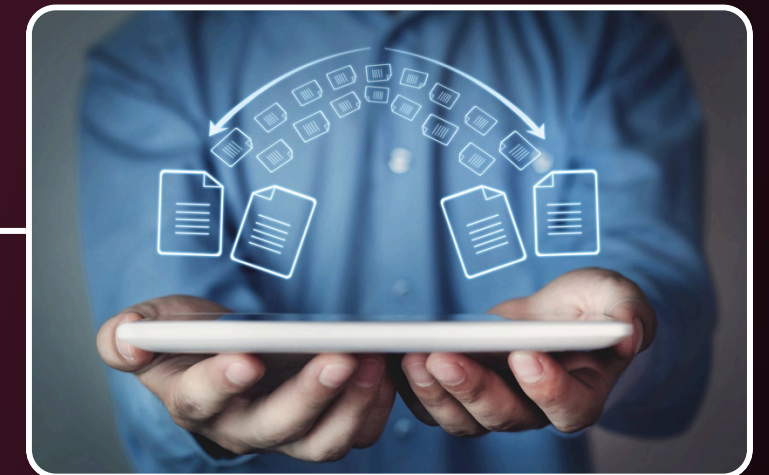
6. Emergency provisions: learning from COVID-19

CURRENT LANDSCAPE

The COVID-19 pandemic exposed gaps in institutional contract resilience, leading many universities to reconsider how they prepare for disruptions. One notable development has been the inclusion or expansion of "force majeure" clauses in various agreements, including:

- Faculty appointment letters
- Union contracts
- Vendor agreements
- Student housing contracts
- Event and facility rental agreements

These provisions aim to provide flexibility during extraordinary circumstances, but they have generated significant debate, particularly when applied to faculty contracts.

EMERGING TREND

Institutions are seeking a balanced approach to emergency provisions—one that provides necessary operational flexibility while maintaining the trust of key stakeholders.

Faculty organizations like the AAUP have expressed concerns about overly broad force majeure clauses, describing them as potential "nuclear options" that could undermine contractual security.
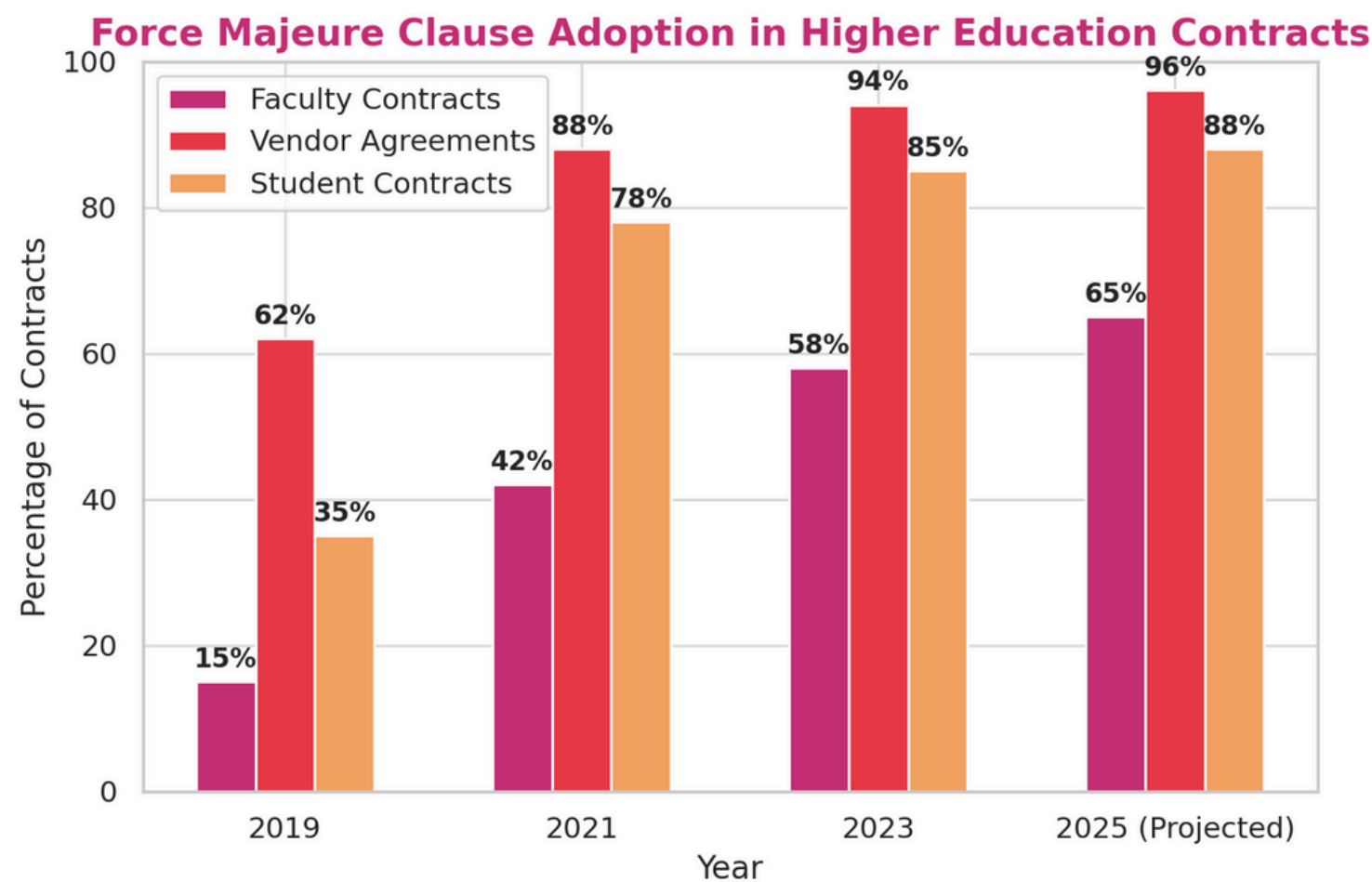
Percentage of contracts including force majeure provisions by category, showing significant post-pandemic increases across all contract types.

ACTION ITEMS FOR ADMINISTRATORS

1 **Review existing force majeure language** across all contract types to ensure it is appropriate and narrowly defined.

2 **Develop emergency response protocols** that complement contractual provisions, focusing on collaborative approaches when possible.

3 **Engage faculty and staff representatives** in discussions about emergency management provisions to build trust and shared understanding.

4 **Create contract continuity plans** that outline how essential functions will be maintained during disruptions.

5 **Consider alternative approaches** to force majeure clauses that provide flexibility without undermining stakeholder confidence.

Case study: Pima Community College

CHALLENGE: inefficient processes jeopardized grand funding

Pima Community College (PCC) relies heavily on grants and contracts — representing 20% of its annual operating budget — to fund vital programs and support its students. Julie Delayo, Executive Director for Sponsored Programs, Grants and Contracts, understands the pressure of constant deadlines and complex collaboration.

"We are up against constant deadlines," she explains. Before using Concord, PCC faced significant challenges:

- Fragmented communication across email chains
- Lack of visibility into approval workflows
- Difficulty accessing critical data for grant applications
- Version control issues during contract development

These inefficiencies resulted in missed deadlines, jeopardizing valuable grant opportunities and impacting the college's ability to secure critical funding. The decentralized system often led to delays in approvals from key stakeholders, including the General Counsel's office, further hindering the grant application process.

22

# SOLUTION: one centralized platform with consistent workflows

PCC adopted Concord to centralize communication and streamline grant and contract workflows. The platform's discussion tab became a vital hub for collaborating with stakeholders, including academic divisions, the statistical department, financial services, procurement, and the General Counsel's office.

"It gives us the ability to have those discussions right in the discussion tab," Delayo explains. "And it sends out emails so everybody stays in the loop."

This implementation provided:
- Transparent communication that eliminated delays
- Real-time visibility into agreement status
- Flexible access controls to maintain security while ensuring appropriate access
- Consistent workflows across departments

"Concord gives us full control over who has access to which contracts. You can even specify by department," notes Delayo.
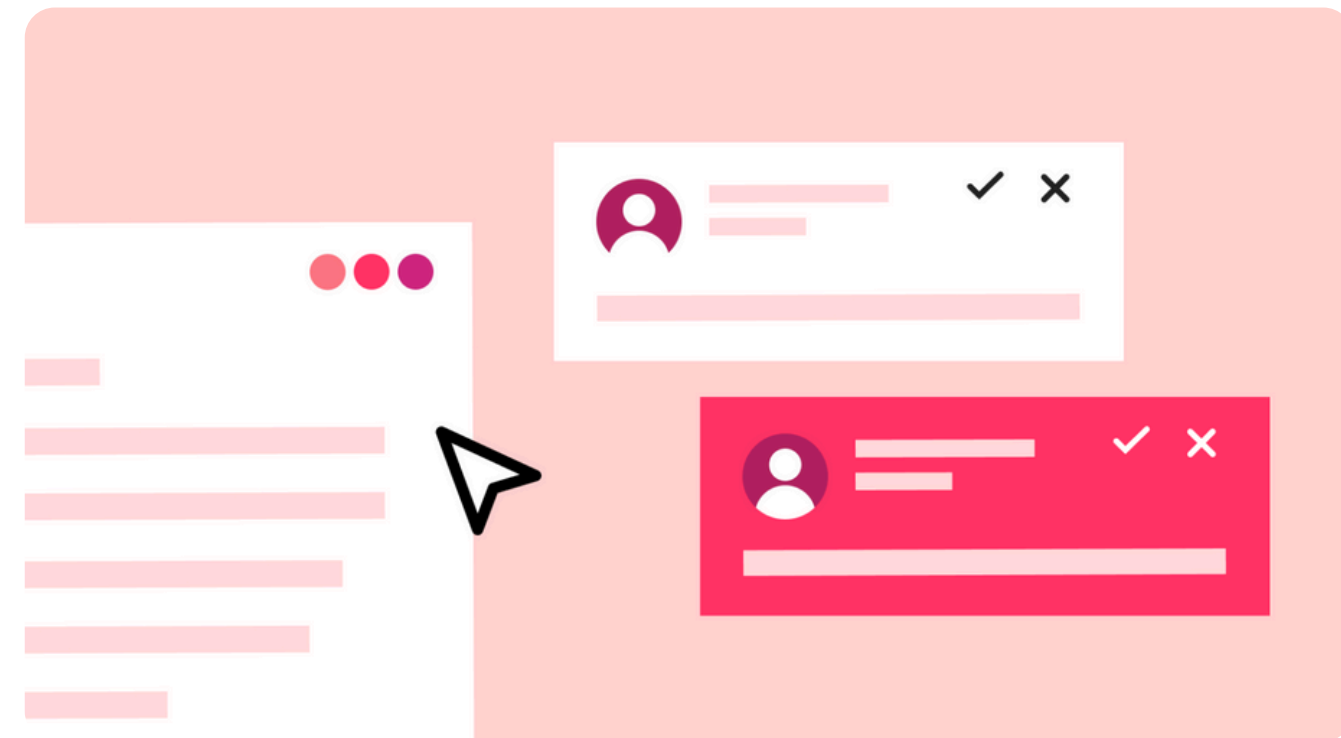
"It gives us the ability to have those discussions right in the discussion tab. And it sends out emails so everybody stays in the loop."

Julie Delayo, Executive Director for Sponsored Programs, Grants and Contracts.

RESULTS: increased grant funding and smoother processes

The impact of Concord on PCC's grant and contract management has been substantial. Centralized communication and streamlined workflows significantly improved efficiency. The time required to secure General Counsel approvals decreased significantly, and the overall contract development cycle was shortened by a wide margin.

This increased agility directly translated into an increase in successful grant applications in the first year of using Concord, representing a great deal of additional funding for critical student programs. Moreover, the improved tracking of deadlines and performance metrics has enabled PCC to manage its contracts more proactively, further maximizing its grant success rate.

By leveraging Concord's features, PCC has not only streamlined its processes but also strengthened its financial position and its ability to fulfill its mission of supporting student success.

7. Conclusion and future outlook

The contract management landscape in higher education will continue to evolve rapidly through 2025 and beyond. Institutions that invest in modernizing their contract management practices will be better positioned to navigate financial pressures, regulatory requirements, and changing stakeholder expectations.

Key trends to watch include:
- Further integration of AI technologies into contract management, from automated drafting to risk assessment
- Growing emphasis on vendor management beyond initial contracting, focusing on relationship management and performance
- Increased focus on sustainability criteria in procurement contracts
- More sophisticated data analytics to derive insights from contract information
- Continued evolution of regulatory requirements, particularly in research and data privacy

For higher education administrators, the path forward requires balancing innovation with institutional values, finding ways to streamline processes without compromising governance, and ensuring that contract management serves the ultimate educational and research mission of their institutions.

By addressing the twelve key trends identified in this report and implementing the suggested action items, higher education leaders can transform contract management from an administrative burden into a strategic advantage.

Appendix: Sources and methodology

This report draws on industry publications, institutional case studies, survey data, and professional discussions to identify key trends and actionable insights. Sources include:

- E&I Cooperative Services 2024 procurement trends report
- Chronicle/P3•EDU survey on public-private partnerships
- Inside Higher Ed reports on labor trends
- Hogan Lovells briefing on research contracts
- Professional forum discussions among higher education administrators
- Case studies from institutions including Kansas State University
- Industry statistics on contract management challenges and adoption rates

For each trend, we've identified practical action steps based on successful implementation examples and best practices in the field.

About Concord

Concord empowers growing businesses to make smarter operational decisions by unlocking actionable insights from all their contracts using Agreement Intelligence. Trusted by over 1,500 companies and 1 million users worldwide, Concord enables people to swiftly sign agreements and easily access crucial business data.

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