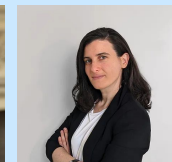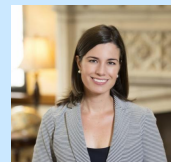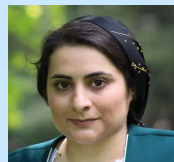# Legacy Procurement Practices Shape How U.S. Cities Govern AI

Understanding Government Employees' Practices, Challenges, and Needs

Nari Johnson, Elise Silva, Harrison Leon,
Motahhare Eslami, Beth Schwanke, Ravit Dotan, Hoda Heidari

ACM FACCT
AΘΗΝΑ 2025

June 2025

Local governments are increasingly adopting AI systems that impact residents' rights and safety.

MACHINE BIAS: COMPAS IS BIASED AGAINST BLACK AMERICANS
2016, Broward County, FL

FACIAL RECOGNITION LED TO WRONGFUL ARRESTS
2023, City of Detroit

LAPD PREDICTIVE POLICING TOOL RAISES RACIAL BIAS CONCERNS
2019, City of Los Angeles

Acquired from Northpointe for $[UNDISCLOSED]

Acquired from DataWorks for $1,045,843 [1]

Acquired from PredPol for $50,000 [2]

Procured from private vendors

Past efforts have imagined how AI procurement might be *reformed…*

WORLD ECONOMIC FORUM
In collaboration with GEP

Adopting AI Responsibly:
Guidelines for Procurement of AI Solutions by the Private Sector

INSIGHT REPORT
JUNE 2023

DE GRUYTER

Merve Hickok
FROM TRUSTWORTHY AI PRINCIPLES TO PUBLIC PROCUREMENT PRACTICES

A PRIMER

AI and Procurement

CONFRONTING BLACK BOXES

A Shadow Report of the New York City Automated Decision System Task Force

DECEMBER 2019

April 2024

The Federal Government's Power of the Purse
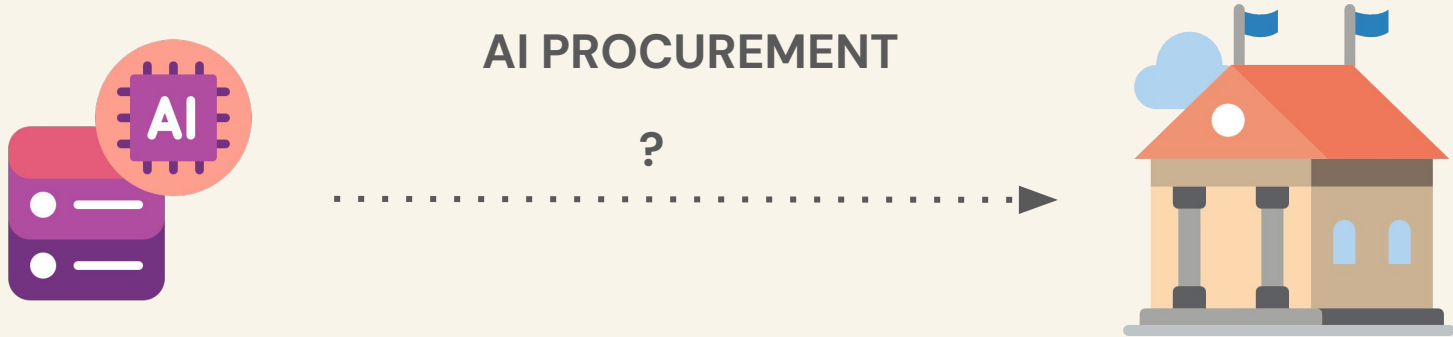**Enacting Procurement Policies and Practices to Support Responsible AI Use**

A **Guiding Framework** for Vetting Technology Vendors Operating in the Public Sector

Ford Foundation

Past efforts have imagined how AI procurement might be *reformed...*

... but we lack an understanding of how AI procurement occurs, *in practice.*

AI PROCUREMENT

?

Our Work: Empirical interview study to understand US local governments' current AI procurement practices, and challenges employees have faced during real acquisitions

19 employees
7 US cities
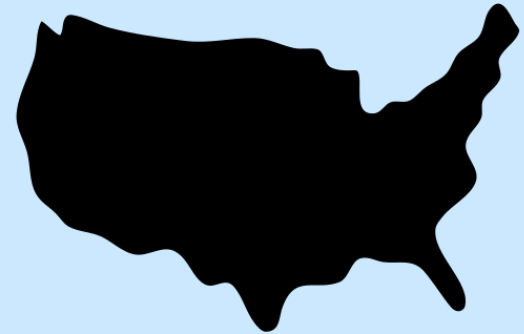
Semi-Structured Interviews

PART 1: PRACTICES

Can you walk us through how a typical AI procurement would occur in your city?

PART 2: CHALLENGES

What do you believe are the main challenges or "pain points" when navigating the AI procurement process?

Select Findings

1. **Canonical procurement** (called solicitation)
   How it looks like in practice

2. **Responsible AI in a canonical procurement**
   How practitioners build responsibility into solicitation

3. **Canonical procurement is infrequent in practice**
   Many AI acquisitions occur using alternative purchasing pathways

Finding: Governments follow established processes to make purchasing decisions

Need identified

Review & Award

Governments evaluate vendors using score sheets, demos.

Contracting

Vendors and governments negotiate a contract.
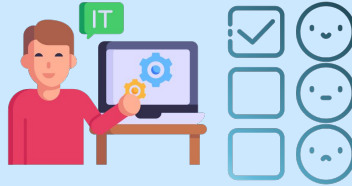
Solicitation

Governments initiate a competitive proposal process and invite vendors to apply.

Finding: Some local governments are *beginning* to incorporate responsible AI considerations into procurement

Solicitation

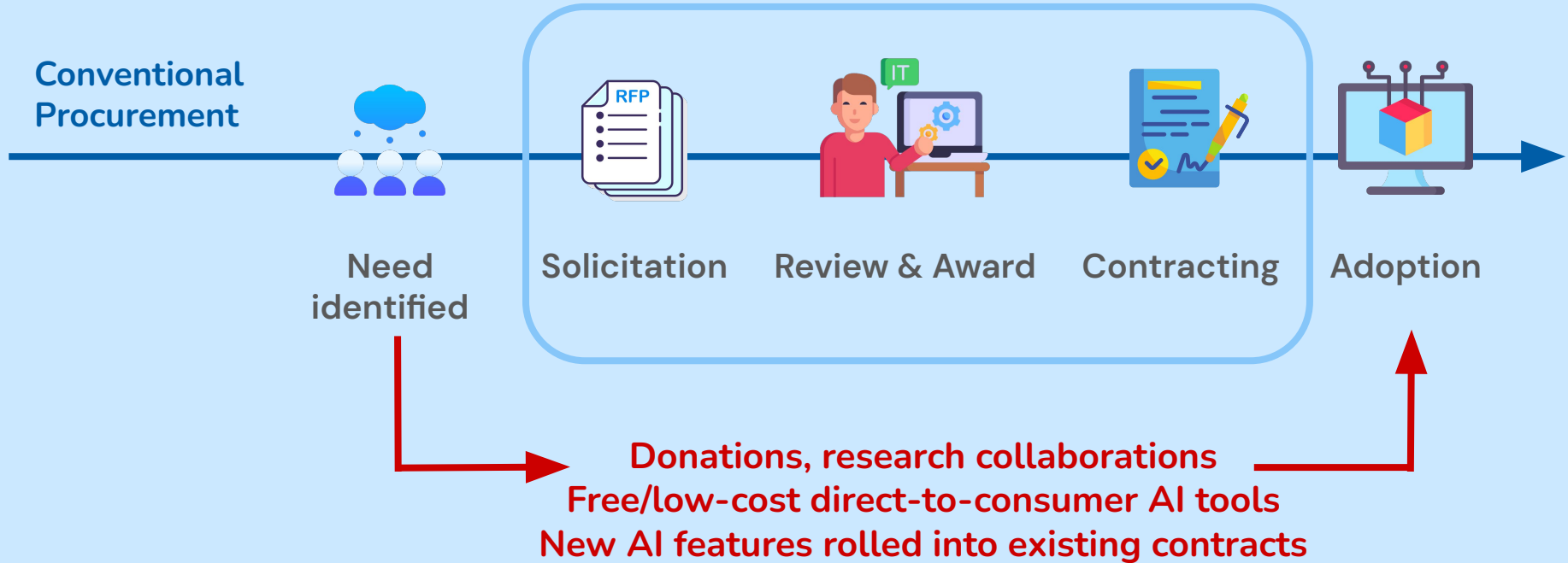Require vendors to report information about AI systems

Review & Award

Take societal impacts into account when making purchasing decisions

Contracting

Negotiate so that AI vendors share responsibility for mitigating negative impacts

Finding: Many AI acquisitions occur through <u>alternative purchasing pathways</u>, posing challenges for governance

Conventional Procurement

Need identified → Solicitation → Review & Award → Contracting → Adoption

Donations, research collaborations
Free/low-cost direct-to-consumer AI tools
New AI features rolled into existing contracts

Our work highlights the need for further empirical research on how procurement shapes AI

Interventions must take practices into account

Opportunities for future work

 Information asymmetry & (un)preparedness → **Need for education, support, collaboration**

 Cities lack leverage in their relationships with AI vendors → **Need for interventions that address uncooperative behaviors**

 Sharing (and assuming) responsibilities of AI governance → **Need for research to support cities in governance activities**

Policy Impact & Translation

Policy work

White paper for governments

Legacy Procurement Practices Shape How U.S. Cities Govern AI: Understanding Government Employees' Practices, Challenges, and Needs

PAPER WEBSITE:

Legacy purchasing practices that differ across cities shape how AI is governed.

We outline three key challenges that still remain to be addressed by cities' AI procurement practices.

Follow-up research projects:
- Vendor transparency & disclosures
- Cooperative contracting

CONTACT: NARIJ@ANDREW.CMU.EDU | HHEIDARI@CMU.EDU