

Information Technology: Software and Cloud Services Purchase/Acquisition Policy (UADA)

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PURPOSE

The intent of this policy is to describe a process for software acquisitions at the University of Arkansas System Division of Agriculture (UADA) that ensures:

- A software solution is warranted based on business needs
- The best software options are evaluated and selected
- There is proper review of the licensing agreements for all software
- Acquisitions are approved by the appropriate administrators
- The selected software meets technical and business standards
- The process is open to all those who have a need to know and participate
- Contractual obligations are reviewed
- Clarify expectations for maintenance, licensing, network connectivity, etc. of all software
- Training and support issues are understood
- The total cost of ownership (TCO) of the software is understood

SCOPE

This policy applies to UADA faculty and staff, and to any software that requires a license agreement (i.e. either a physical signature is needed or one must be provided using an online click-through process before the software can be used) and open source/free software. Only authorized signatories are authorized to sign license agreements on behalf of UADA.

DEFINITIONS

Acquisition means a software asset that is purchased or obtained (e.g., software that is sold for a fee, software that is freeware, etc..).

Adoption is the purchase, by either UADA funds, or the download of free software to be used by employees.

Client/Server architecture is where code is typically installed on PCs that will access the application database directly. Code can often be run from a server using Remote Desktop, alternatively. This architecture is becoming less popular and poses maintenance and security problems.

Cloud Services is the wide range of services delivered on demand to companies and customers over the internet. These services are designed to provide easy, affordable access to applications and resources, without the need for internal infrastructure or hardware.

Hardware is a comprehensive term for all the physical parts of an information technology or data processing system, as distinguished from the data it contains or operates on, and the software that provides the instructions for the hardware to accomplish tasks. As used in this policy, external hardware also known as peripheral devices are considered hardware.

Hosted solution is a remote hardware/software platform that can be used by clients to run their applications. Any necessary UADA data would also be stored at the vendor's site. Access is usually via the internet. Fees are typically based on usage. The vendor's site must be reviewed and approved by the IT department.

In-House solution in this case, UADA provides the hardware, operating system, database platform and network connectivity necessary to run the application. These costs and setup activities must be factored into any software acquisition plan.

License is the legal instrument which governs the use or redistribution of software.

Licensing is the sale of a license.

Research Software for purposes of this policy, "research software" means software utilized by employees for research, scholarship, assessment, or creative works.

Software is a computer program or collection (suite) of programs that can be installed on personal computers, mobile devices such as tablets or smartphones, or on a server environment (either within UADA or hosted elsewhere).

Web-based architecture are developed with an internet, or "web", user interface. This allows access from PCs using browsers such as Chrome, Firefox, or Edge. The advantages are that no code will be stored on the PC and access can be from anywhere.

POLICY

This policy shall apply to the acquisition and/or adoption of software under any one or more of the following circumstances:

- Payment for the software comes from state/institutional funding sources
- No software can be purchased with a purchase card (unless there is a written exception)
- All software purchases must be completed by AES-IT or CES-IT, (unless there is a written exception)
- The software will be used regularly by UADA employees
- The software is intended for use by employees as a sustained part of curriculum(s) or program(s)
- The software integrates with other enterprise-level applications (e.g., Workday, LMS, Web CMS, etc.)
- The software will utilize UADA authentication/identity management
- The software makes use of sensitive, confidential, or privileged data or information.

Additionally, the acquisition and/or adoption of software shall be subject to all the requirements of the following UADA Procurement Policies.

Departments will play a lead role in:

- Justifying the business need
- Identifying and working with potential vendors and IT to evaluate the software
- Arranging for necessary funding
- Performing any necessary implementation tasks such as application configuration and data entry

Information Technology plays a key role in the acquisition and support of all software. All potential software acquisitions must begin with IT. IT recommends demonstrations prior to the purchase of any software or cloud service and will work with vendors to arrange (video conference) demonstrations as needed.

Consulting for each of the steps described below

- Assisting with implementation requirements
- Facilitating the infrastructure to support the software
- Integrating the software with existing systems
- Providing trouble-shooting services when applicable

The steps outlined below are designed to meet these objectives.

1. Business justification for the software:

Software is designed to support processes that either require extensive manual work or have complex requirements that need computer support. There are two business aspects of a software acquisition to consider, the "functional" benefits which may include improved service to clients, reduced workload on staff and/or the ability to do things that cannot be done or done easily without the software. This study will examine current business processes and evaluate options including non-software solutions (e.g., business process changes) and "in-house" solutions developed by IT. In-house solutions have the advantage of being integrated with existing systems. IT will work with the requestor to document the problem and recommend a solution.

After this assessment has been completed, all software acquisition proposals will be reviewed by IT. They will review the proposal and, after consulting with management, will approve or deny it. They will also assist in prioritizing the project with competing work.

2. Participation of stakeholders:

In many cases, other entities within the organization will be affected or could benefit from a given software acquisition. It is important that concerned parties be included in the evaluation and implementation stages. If software can be utilized across the organization rather than by a single department, the ROI will be much higher. Software and services that duplicate existing products and services will only be approved if sufficient justification is provided.

3. Software selection process:

Assuming that there are no other options besides the acquisition of software (based on step #1), due diligence must be exercised in evaluating what software options are available. Typically, there are multiple vendors in the marketplace for any given functional area and there is always the possibility of an IT developed solution. Consideration must be given to all aspects when evaluating software vendors; the viability of the vendor, the "fit" of the software to our needs, the ability to integrate the software with existing systems, the flexibility of the software to

adapt to future needs, the vendor support and enhancement policies, and the licensing and maintenance costs to name just a few. IT will work with departments to assist in the search and evaluation phase.

4. **Software evaluation:**

As part of the software selection process, certain standards must be evaluated. From a business perspective, the software must meet the functional needs of the organization. Typically, this is evaluated using a "Fit/Gap" methodology where the software is mapped to business needs to determine where they "fit", where functions are adequately supported, and where there are "gaps", where the software does not support a need. Gaps in the software's capability must be addressed. One way to ensure better fit/gap compliance is to do an "RFP", Request for Proposal, where required and desirable functions and technical requirements are described in a document that is sent to vendors for their responses. Only those who best meet our needs are further evaluated. IT will assist with fit/gap and RFP activities.

Technical standards must also be considered. The type of technology employed by vendors when building an application has a direct effect on our ability to integrate it with other systems, provide adequate security, provide acceptable performance and accessibility and be able to adapt to future needs. IT must be consulted if we are to provide support for a new software application. Please refer to the "*Software and Cloud Services Purchase/Acquisition: Technical Standards*" document for more information (linked below).

5. **Software quotes:**

IT will work with the stakeholders to clearly define requests for quotes. IT will then submit the requests for quotes to vendors and work directly with vendors through the quoting processes to address their questions.

By including IT in quoting processes, we can ensure that:

- Quotes are based on system configurations currently in use and supported in our environment.
- All applicable discounts are included in the quotes
- Quotes include all necessary components and services (licensing, third-party products, continuing support services, etc.)
- All costs including associated and continuing fees are consistently negotiated with respect to non-profit and/or educational institutions, and with respect to prior agreements we may already have in place with vendors

6. **Total Cost of Ownership (TCO):**

While the licensing, maintenance, consulting, training, and implementation costs are typically part of the contract and are negotiated up front, there are often other overt and "hidden" costs. There are hardware costs, usually one or more servers, database licensing costs, periodic maintenance increases and hardware upgrades and other such costs to be considered. There are also "internal" costs to UADA like the networking connections, security provisions (e.g., "firewall" rules), integration or "data feeds" with other systems like Workday, problem resolution with the vendor, and other time and labor-oriented costs. Before committing to any solution, the TCO should be understood.

7. **Contract Review:**

Per Division policy all new contracts must be reviewed and approved by authorized signatories and/or Division legal counsel. To facilitate the process, when the number of viable vendors is reduced, copies of their standard contracts

should be provided for review. It is also advisable to negotiate a Service Level Agreement (SLA) with the vendor to insure acceptable performance of their obligations.

To assist in this process, IT has designed guidelines of steps and questions to be asked along the way to ensure that the best decision is made regarding new software; please refer to the Procedures section. This process may take months to complete, it is best to start well in advance of when it will be required for the project.

PROCEDURES

All software and cloud service purchases must follow procedures in the “*Information Technology: Software and Cloud Services Purchase/Acquisition Procedures*” document linked below.

ENFORCEMENT

By failing to abide by this policy or policy procedures, individuals may be subject to sanctions, up to and including the loss of computer or network privileges, disciplinary action, suspension, termination of employment, and legal action. Some violations may constitute criminal offenses under local, state, and federal laws. UADA will carry out its responsibility to report such violations to the appropriate authorities.

REFERENCED DOCUMENTS

- [Information Technology: Software and Cloud Services Purchase/Acquisition Technical Standards \(CES\)](#)
- [Information Technology: Software and Cloud Services Purchase/Acquisition Procedures \(CES\)](#)
- [Information Technology: Software and Cloud Services Purchase/Acquisition Quick Overview \(CES\)](#)