Technology Software or Service Purchasing Procedure – Key Steps

Disclaimer	This article is written to be correct and complete. There might be unintended mistakes or omissions that may not work for every situation and on varying technology platforms.

Title:	Purchasing Software or a Service Using the RCTC & Minn. State Requirements
Revision:	V1.7
Prepared By:	Steve Higgins (IT), June Meitzner (Business Office)
Date Prepared:	12/28/2020
Reviewed By:	Kelly Pyfferoen, Mir Qader, Steve Schmall, CITAC
Date Reviewed:	3/19/2024
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1.0 Purpose

This procedure describes the key (not all inclusive) steps for purchasing software, Software as a Service (SaaS), or subscriptions (anything needing an agreement) following both RCTC's and Minnesota State's procurement requirements.

Following these steps will ensure that the proper due diligence is followed, and appropriate reviews and approvals occur along the way for a streamlined and successful procurement and implementation. Also, it will ensure that we, as an institution, are in compliance with (following) procurement and any legal requirements and liabilities.

2.0 Scope

This procedure is based on Minnesota State requirements established in November 2020. This procedure applies to ***ALL*** software or services that are used by an institution, from "Free" to any dollar amount product or service that is purchased. In essence, if the College has an ***agreement*** to use the product, they need to follow the procedure defined below.

3.0 Roles & Responsibilities[1]

Responsible Party	Responsible For
Any Requester in the College	• Determine if the product is currently used and available at the college. • Determine if supervisors/managers/deans are supportive of the purchase. • Ensure that funding is available to make the purchase and on-going needs. • Work with Vendor and RCTC-IT to setup implementation timelines/plans. *FYI…this could be time-consuming!*
Managers or Deans	• Review Requester's purchasing needs for alignment to College/Program goals. • Approve final funding of purchases.
RCTC-IT	• Review the purchase request for technical specifications and ensure that it can be used within the RCTC architectural environment, seamlessly. • Build out an appropriate project plan to implement the solution/product.
SO-IT	• Conduct security reviews of products.
SO-Legal Council	• Conduct legal reviews of contracts.

[1] Using the framework of **RACI**: Responsible, Accountable, Consulted, Informed

Responsible Party	Responsible For
Business Office / Procurement	• Process all contractual review activities. • Process all procurement activities of Purchase Orders, Invoicing, etc.
Vendors	• Work with Requesters to provide information on product specifications, contracting requirements, and final implementations. • Work with Requesters and RCTC-IT to develop and execute implementation timeline/plan.

4.0 Procedure

*Note 1: Following this procedure could take anywhere from 2 to 8 weeks or more because of the inter-dependencies, so please make sure to **plan ahead** appropriately.*

*Note 2: Using last minute funds, such as end-of-year funds, will likely NOT yield a purchase within the fiscal year's budget because of timing needs, therefore, please **plan in advance**.*

4.1 Planning Phase:

4.2 All RCTC staff [Requesters] should **work with their appropriate [Managers]** in their area, to define the need and potential purchase of any technology products/software/services.

4.3 **Funding** – [Requesters] and [Managers] should determine if funding is available to do a ***purchase*** (*this is a Programmatic decision*) and to pay ***on-going costs***.

4.4 Requirement Phase:

4.5 Determine what you want to do/not do

4.5.1 Submit a **ticket to IT** to determine if a **solution already exists** that could be reused (save on licensing, save on timelines for approvals).

4.5.2 [RCTC-IT] Conduct a brief (≤ 2-8 hours) review and do an **options assessment** (*see Appendix B for an assessment checklist*).

4.5.2.1 Capture **basic requirements** to ensure feasibility of implementation in our environment (details will have to be defined later as part of project planning).

4.5.3 [Requester] resolve any **funding** discrepancies (e.g., needing more money than anticipated, etc.) because of the option chosen.

4.6 Request in Marketplace Phase:

4.7 [Requester]: gets **quotes & an agreement** from vendor(s), **terms** of contract, etc. so that they can be evaluated by legal staff.

4.7.1 Streamlining Considerations:

*Note 3: If a **Master Agreement** already exists with the System or other Minn. State Colleges using the product we intend to use, we can expedite the procurement and jump directly to creating the request in Marketplace, getting internal approvals and sending the PO to the [Vendor].*

*Note 3a: The best way to find currently available/approved contracts is through a **search of Marketplace**. [Business Office] can assist with this search.*

*Note 4: **Zero-dollar contracts** (e.g., freeware) – [Requester] gets the terms and conditions, we send these to the SO (via Business Office) for security review (using the online Risk Assessment form linked below) and legal review. DO NOT enter these contracts into Marketplace.*

*If necessary, we may have to get **Presidential approval** based on a risk assessment from IT.*

Note 4a: RCTC will NOT agree to Indemnification Clauses or Auto Renewal clauses in contracts (or legal action cannot be filed in State)!

4.7.1.1 Ask [Vendor] if they are willing to negotiate terms and conditions?

4.7.1.2 Ask the [Vendor(s)] if there is a Governmental/Educational version of the product/service.

4.7.1.2.1 If yes, request a copy of the agreement.

4.7.1.2.2 Ask the [Vendor(s)] if they have an agreement in place with a Minn. State Agency.

4.7.1.2.2.1 If yes, request a copy of the agreement.

4.7.1.3 **[Requester] creates requisition in Marketplace**, attaching price quote and other required documents.

4.7.2 [Requester] completes Minn. State/SO **online risk (security) assessment** form (*this is also done for zero-dollar contracts*)
(**URL**: https://www.minnstate.edu/security/riskassessment)

4.7.2.1 [Requester]: receives a verification email from:
"Microsoft Power Apps and Power Automate <microsoft@powerapps.com>"
confirming the form was submitted and provides a copy of the data that was entered on the form.

4.7.2.1.1 [Requestor or Recipient of the email] replies to the **Ticket** that was created for this procurement (above) and either pastes the content or attaches the verification email. (*The Ticket captures all the activities regarding this need.*)

4.7.2.2 [Requester]: receives a **risk assessment email** from:
"Johnson, Tom R <Tom.R.Johnson@minnstate.edu>"
stating **assessment results**.

4.7.2.2.1 [Requestor or Recipient of the email] replies to the **Ticket** that was created for this procurement (above) and either pastes the content or attaches the assessment email. (*The Ticket captures all the activities regarding this need.*)

4.7.2.2.2 [Requester]: attaches the approved risk assessment to the Requisition in Marketplace.

Note 5: **Important note:** [Business Office] will not act on the requisition until the **risk assessment email is attached to the requisition** by the [Requester].

4.7.2.3 Assistance is available from Business Office & RCTC-IT to answer any questions

4.8 [RCTC-IT]: Review/approval gate for **technology purchase** in Marketplace

4.8.1 CONTINGENT: [IT Department]: will follow-up on the requisition to determine if campus IT assistance for setup or ongoing maintenance is needed before IT's part of the workflow process in Marketplace can be completed.

Note 6: this step would not be necessary or can occur quickly if section 4.4 – Requirements Phase was followed.

4.9 [Manager] of [Requester] approves the request.

4.10 Contracting, Reviews and Approvals Phase:

4.11 [Business Office] processes PO, then creates **contract request for Legal review**.

4.11.1 *Note 7: [Business Office] could send the **contract terms** earlier to Legal for review before all preceding steps are completed to expedite the process, but Requesters need to have them available in an editable/Word format.*

4.12 [Systems Office (SO)] conducts their reviews [2-3 weeks lead time] (*for free or purchased products; anything that we have a signed contract has to be reviewed)*

Note 8: SO-IT review done as part of 4.7.2 – online risk assessment.

4.12.1.1 [SO-Legal Counsel] Conducts legal review and informs the [Business Office] of edits and feedback.

4.12.1.1.1 [Business Office] shares the legal review with the [Requester] who created the Requisition in Marketplace.

4.12.1.1.1.1 [Requestor] replies to the **Ticket** that was created for this procurement (above) and either pastes the content or attaches the legal review information/email. (*The Ticket captures all the activities regarding this need.*)

4.13 [Business Office] sets up Contract through Marketplace with the [Vendor]

4.13.1 DocuSign of contract sent to [Vendor]

4.13.2 Contract signed by RCTC [Manager(s)]

4.14 [Business Office] Final copy/version of approved Contract is sent to [Vendor]

4.15 [OPTIONAL]: RCTC Software Procurement / Contracting Review – Final Decision

4.15.1 If the decision from the System Office comes back as "*…use the **Software Contract Addendum** for…*" to the institution for assessment of need, [Business Office] tries to submit the contact and the Software Contract Addendum to the vendor for signing.

4.15.2 NOTE: Typically, vendors are NOT willing to sign the Addendum, and it is too much an investment for them to run it through their legal processes! Therefore, must proceed with the **RCTC software purchasing / contracting review / risk assessment document** for documentation and internal decision-making. (See Appendix C for the details of this review.)

4.15.3 If the decision from the System Office comes back that "*Defers decision/judgments*" to the institution for assessment of need, [Business Office] and/or [RCTC-IT] prepare a **RCTC software purchasing / contracting review / risk assessment document** for documentation and internal decision-making. (See Appendix C for the details of this review.)

4.15.4 CAVEAT: If the decision is "Not to Proceed", this process **cannot** be used as a bypass to the SO decision process!

4.16 Project Implementation Phase:

4.17 [Vendor] works with the [Requester] and other pertinent parties e.g., [RCTC-IT] on scheduling the work and getting software installed, setup, etc.

4.17.1 If needed, [RCTC-IT] develops a **project plan** to identify and implement various project activities.

*4.17.2 Note 5: Project implementations may be halted, procurements may be rejected, or technology returned back to vendors, if **key considerations are not taken into account**, especially if they impact (a) security/compliance, (b) compatibility, or (c) alter the IT architecture of the institution. Therefore, please include IT early on to prevent these from impacting your project.*

5.0 References

- 5.14 Contracts, Procurements, and Supplier Diversity
- 11/20/20 – "Form & Execution, Software Contract and How You Can Help" training from Minn State.
- Minn. State "Contract Review Questionnaire for products/software/services" form: https://www.minnstate.edu/security/riskassessment

6.0 Revision History

Revision	Date	Description of Changes	Requested By	Modified By
1.0	12/28/2020	Creation of initial procedure document.	IT & Procurement Functions (per SO Contracting changes)	Mir Qader Steve Higgins June Meitzer
1.1	04/22/2021	Updated with additional clarifications on roles & responsibilities in ensuring IT is engaged in a timely manner pre and post contracting.	IT Function	Mir Qader Jon Krusmark Alan Charon Steve Higgins
1.2	03/04/2022	Update for new process for online risk assessment form vs. attaching the IT Questionnaire to the requisition	Procurement Function	Steve Higgins
1.3	05/03/2022	Update for section 3.5.1-3.5.2.1 with addition of Appendix B: "Technology Purchasing Campus IT review checklist"	Campus (IT Council, Faculty, etc.)	Steve Higgins Alan Charon Jon Krusmark
1.4	05/31/2022	Reviewed and edited by College IT Advisory Council (CITAC) + Kelly Pyfferoen (as Procurement Lead/Guest).	Mir Qader	Mir Qader
1.5	12/01/2023	Per Art Faculty request, added clarifying steps on how to attach/inform IT of completed review steps.	Art Department	Mir Qader
1.6, 1.7	03/18/2024	Added information about using the RCTC Software Procurement / Contracting Review – Final Decision process and template.	Mir Qader	Mir Qader

7.0 Appendices:

7.1 Appendix A: Marketplace New Technology Flow Process

Roles & Responsibilities[1]

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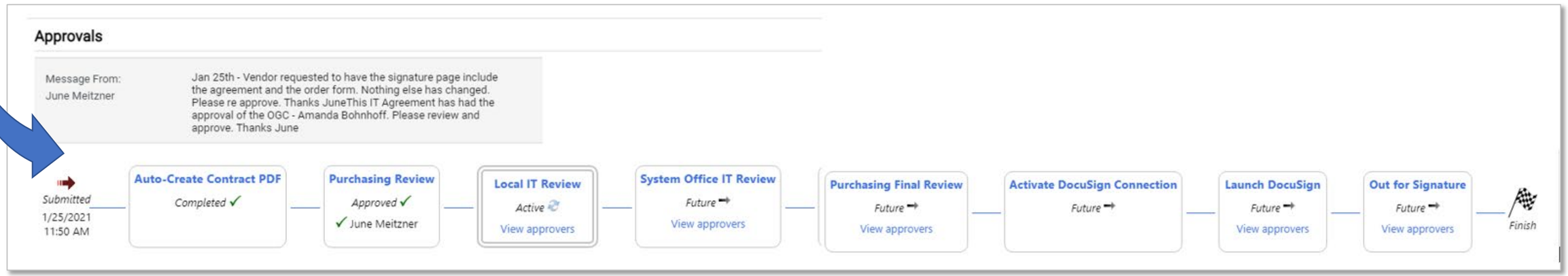

7.2 Appendix B: IT Options Assessment Considerations

7.2.1 Campus IT will conduct a brief review (≤ 2 – 8 hours), which may require working with the vendor technical staff, to analyze the technology for ***compatibility*** within College's technology infrastructure.

7.2.1.1 Technology includes: hardware, applications, and services (on-premise or hosted/cloud solutions).

7.2.2 Following are sample questions that campus IT must resolve for all technology beings considered or implemented.

7.2.2.1 Technology Purchasing Campus IT review **questions/checklist**:

7.2.2.1.1 ☐ General description of what the technology is and how it will be used.

7.2.2.1.2 ☐ Website/URL of the product (this would let IT research the product more and obtain system requirements information).

7.2.2.1.3 ☐ What are the system specifications?

7.2.2.1.3.1 ☐ Is it a current supported Operating System [OS] that meets our IT security guidelines?

7.2.2.1.4 ☐ Identify company contact / technical contact that can answer additional questions.

7.2.2.1.5 ☐ Will campus IT have to support setting up and/or provide ongoing maintenance and patching?

7.2.2.1.6 ☐ Does the technology need to be able to get out over the internet for updates or patches?

7.2.2.1.7 ☐ Does the technology require remote vendor access?

7.2.2.1.8 ☐ Does the technology integrate or talk to other systems?

7.2.2.1.9 ☐ What type of data does the technology create and store? (restricted, public, other?)

7.2.2.1.10 ☐ Is the technology from a US-based company (versus international) for more likely legal approval from the System Office?

7.3 Appendix C: RCTC Software Procurement / Contracting Review – Final Decision

RCTC
SOFTWARE PROCUREMENT / CONTRACTING REVIEW
FINAL DECISION

Product Name:	**Date:** <mm/dd/yyyy>
{What is a descriptive name for the product that is being procured which requires a contract?}	
Vendor Name:	
{What is the name of the vendor that this procurement is going through?}	
Product Description:	
{Provide a description of: (1) what is the product, (2) why is it needed, (3) what kind of data it will create and store (where will the data be stored).}	
Use at Minnesota State System: {Is anyone else using this product at the System?}	
Yes	X No Don't know
{Any other information? If used by other System Colleges, is it the same vendor? Etc.}	

System Office (SO) Reviews

SO-IT Security Review: {Has this procurement gone through System Office IT Security review?}

X Yes | No | Does not need to: {please explain}

If Yes, What is SO-IT's Decision?

X Approved | Denied | Deferred to Campus for Decision

{What is the SO-IT's opinion/conclusion about the product or vendor or contract?}

SO-OGC/AG Legal Review: {Has this procurement gone through Office of General Council (OGC) or the Attorney General's (AG) office for review of Legal Terms and Conditions?}

X Yes | No | Does not need to: {please explain}

If Yes, What is SO-OGC's/AG's Decision?

X Approved | Denied | Deferred to Campus for Decision

{What is the SO-OGC's/AG's opinion/conclusion about the product or vendor or contract?}

Attach any "red lined" documents for review of the language that is in question.

Vendor Response (if any)

Contract Sent: {Has the contract with modifications/changes/addendums been sent to the vendor for response?}

X Yes | No | Does not need to: {please explain}

If Yes, What is the Vendor's Response?

Will sign the contract | X Will not sign the contract | Other: {please explain}

{What is the vendors rationale or reasons for their decision?}

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PROCUREMENT / CONTRACTING DECISION

RCTC – Service Area Reviews

RCTC-IT Review: {Has this procurement gone through RCTC IT review?}

X Yes | No | Does not need to: {please explain}

If Yes, What is RCTC-IT's Recommendation?

X Approve procurement | Deny procurement | Need additional actions to be taken: {please explain}

{What is the RCTC-IT's opinion/conclusion regarding risk/reward of this product or contract?}

RCTC-Business Office Review: {Has this procurement gone through RCTC Business Office review?}

X Yes | No | Does not need to: {please explain}

If Yes, What is Business Office's Recommendation?

X Approve procurement | Deny procurement | Need additional actions to be taken: {please explain}

{What is the RCTC-Business Office's opinion/conclusion regarding risk/reward of this product or contract?}

Cabinet Discussion and Decision (if needed)

RCTC Cabinet Decision: {What decision was made for this procurement.}

Approved | Denied | Defer | X Cabinet Review Not Needed

Decision Justification/Clarification:

{Identify any reasons, justification, or clarifications for the decision.}

Cabinet Discussion Topics/Summary Notes:

Discussion Topics / Questions	Answers (of Follow-Ups)
{List any key topics that were discussed by Cabinet?}	{List the answers/conclusions or follow-up that needs to happen related to the items}

Other Information:

{Describe any other information that was part of the decision, for instance, delays that this procurement might cause to existing projects, communication out to all stakeholders, etc.}

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