

CITSADMN Site License Working Group  
UF Request for Comments: 3  
Council Endorsement:  
OITS Adopted:

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First Submission:  
Last Revision: 04/11/94

## **TITLE: A Software Acquisition Proposal**

**STATUS OF DRAFT:** This proposal, having been developed by the CITSADMN Site License Working Group, is under consideration by CITS. The recommendations in this draft are subject to revision and have not been adopted for implementation by CITS.

### **Executive Summary**

Whereas:

1. The University spends more than \$3,000,000 per year on computer software
2. The University can save hundreds of thousands of dollars each year by purchasing software at the best possible price.
3. University productivity suffers from the use of outmoded software which departments cannot afford to upgrade.
4. Current University practices are not conducive to the creation of software licenses and volume purchasing agreements.
5. Standard industry clauses are frequently incompatible with Florida State law and Board of Regent's practices.
6. Creation of software licenses and volume purchasing agreements should be an on-going pro-active process at the University.

We recommend the following:

1. Two full-time positions should be dedicated to the establishment and maintenance of software license agreements and software volume purchasing agreements.
2. The positions should be assigned to the Division of Purchasing to create an Office of Software Acquisition (OSA).

3. The software acquisition tasks to be performed include creating and maintaining software agreements, arranging software distribution, publicity of agreements and best price information, and support of agreements. In the remainder of this document, these tasks are referred to as software acquisition.
4. The creation of the OSA is for the purposes described above. This effort creates opportunities to acquire software at substantially reduced prices, improves choices available to University staff and faculty, and improves access to information regarding software acquisition. In no way is this proposal intended to limit choices. Faculty and staff retain the right to participate in agreements as they see fit.
5. An auxiliary account should be created to facilitate the collection of funds from departments to finance the creation of agreements.

Two documents should be written to assist those involved with UF software purchasing. A guide for vendors should be written to acquaint them with the laws of the state of Florida and the business practices of UF. A guide for staff and faculty should be written to explain procedures for purchasing software at UF.

## **1. Introduction**

The University of Florida has an opportunity to save hundreds of thousands of dollars each year by purchasing software at advantageous prices. While most units on campus avail themselves of academic discounts in order to lower the prices they pay for software, the University has been largely unsuccessful at implementing site licenses and volume purchase agreements for software. The University has failed to commit consistent effort to create and maintain software agreements.

This report describes the problems associated with software purchasing and licensing and proposes a solution that will facilitate software acquisition, reduce legal liability, save the University money, and increase the productivity of all University faculty, students and staff who use software.

In this report we will use the term software agreement to mean a contract with a vendor to provide software to the University at reduced price. An agreement may be a license which entitles the University to use the software under the terms of the license and may involve time limitations and/or renewal fees. Software agreements include volume purchasing agreements which may require the University to purchase a specified number of copies in exchange for a reduction in the per copy price.

The report has four major sections.

- **Background and Significance.** The magnitude of the problem is described. Previous work on software licensing, efforts at other Universities, the 1991 Task Force Report recommendations for software purchasing, and the consequences for continuing to operate without addressing the problem are described.
- **Functional Description.** The tasks that need to be performed at the University to create advantageous software purchasing agreements (licenses and volume purchasing agreements) are described. These include acquisition/renewal, distribution of software, publicity and support.
- **Implementation.** A proposal for accomplishing the tasks is presented.
- **Business Benefits.** The potential benefits of implementing a software purchasing solution are described.

Appendices provide additional background information.

## **2. Background/Significance**

The working group studied the magnitude of software purchasing at UF and characterized software purchases by UF. At the same time, the group looked at which campus-wide licenses and departmental licenses exist. The resulting information was used to assess the feasibility of a campus software purchasing office, the degree to which software agreements did or did not exist to address these purchases, and the potential savings to the university should software agreements be aggressively pursued.

The group reviewed the history of site licensing at UF and analyzed the case histories of several licenses to help identify where problems lie in acquiring software agreements. Costs in terms of lost savings, human productivity and effort, and legal exposure were also discussed.

Each review indicated that the creation of a campus site licensing office would be of great benefit to UF. Therefore, the final task undertaken by the group was to determine the best implementation model for this office. Implementations at several other universities were examined as well as existing methods for purchasing software at UF.

## 2.1 Magnitude of software purchasing

More than \$3 million was spent on the purchase of software at UF in fiscal year 92-93 (FY92/93) (see Appendix A). This is a conservative estimate of the actual dollar amount of software purchased. This figure was derived from a review of items purchased through the UF Purchasing Division using the standard SAMAS object code for computer software.

### 2.1.1 Uncounted purchases

The \$3 million figure does not include software that was bundled with hardware purchases; software purchased under special object codes assigned to certain units such as FCLA, and the Library; nor purchases made by university associations/affiliations such as the Athletic Association and Shands Hospital which have their own purchasing methods.

These uncounted purchases are significant. For example, the vast majority of all Windows operating system software has been acquired as a bundled item with PC hardware purchases. This is important because the legal liability remains the same as if this software had been purchased outright. Additionally, this represents an investment in a software product that will recur as additional software purchases in the form of upgrades and companion software purchases. Another example of the significance of the undercount is the \$169,827 spent in FY92/93 by the library on CD-ROM software subscriptions that are logged in the SAMAS system as book purchases.

### 2.1.2 Characterization of purchases

The group found that \$900,000 of the \$3 million were purchases made by the Northeast Regional Data Center. The remaining \$2.1 million represented purchases that were distributed throughout the campus. We looked at these expenditures by vendor, product and purchasing department. Appendix A lists the top 50 purchases in terms of total dollars spent in FY 92/93 for each of these three views. In particular, we focused on the view by vendor. The top 50 vendors account for \$1.2 million, or 60%, of these purchases.

### 2.1.3 Lack of Agreements

We compared the top 50 vendor list to a list of existing site licenses and software purchasing agreements to assess the lack of site licenses and the potential financial saving should licenses for these products exist. UF

currently receives optimum pricing from IBM, SAS, Novell, and DEC due to existing site licenses. There are other purchasing plans in place, primarily through the bookstore, where UF receives discounted educational prices when purchasing WordPerfect, Borland and Microsoft products. However, substantial further savings could be realized from these vendors if their campus site licenses were adopted by UF. Neither these site licenses nor those from the remaining top 42 vendors have been aggressively or proactively pursued by UF. The history of the pursuit of the WordPerfect license is presented in Appendix B.

#### 2.1.4 Potential dollar savings

Our review of known software agreements found that purchase discounts typically run between 25%-50%. Applying a conservative 10% average discount to the FY92/93 software purchases would result in a projected annual savings of \$200,000 to UF.

Although we are not able to project the dollar savings to UF associated with the reduced legal exposure that well-executed software acquisition would bring, it would certainly exceed the annual purchase savings should UF ever be sued for infringement. Additionally, we identified a large savings in terms of human productivity and effort that would result from organized software acquisition and distribution.

It is also worth noting that some software simply cannot be purchased without a site license in place. An example is the SAS System for Information Delivery. Again, we could not assess the cost to the University if this software could not be purchased and an alternate system had to be purchased instead. In many cases, departments individually pursue licensing efforts with a resulting duplication of effort throughout the University.

## 2.2 History of site licensing at UF

Prior to 1991, no UF unit had been given the responsibility to pursue campus-wide software purchasing agreements. Agreements were created and entered into by campus units as they needed the software products. Some units, most notably CIRCA and IFAS, extended these licenses to all of campus and provided a means for distribution to the rest of campus. Others held the license for use within their particular domain. This resulted in multiple licenses with a single vendor occurring on our campus. Examples of these include 6 IMSL licenses identified in 1990 as part of Dr. Portier's project (see Section 2.2.1) and 9 FPROT licenses that exist today with Frisk Software International.

### 2.2.1 1991 Software License Project

In January, 1991, Dr. Ken Portier, then an Acting Assistant Vice President of UF, initiated the Software License Project to identify and catalogue campus computing licenses and software purchasing agreements to provide data to the Task Force on Information Technology and Resources which had just formed. Portier's project involved contacting each department and center at the university to identify all software licenses the department/unit had entered into. In the the Health Center, the Office of Information Technology surveyed these departments for licenses. All campus units except one responded with copies or lists of their licenses.

Copies of the license agreements were obtained either from the unit, the Purchasing Division or directly from the vendor. Vendors were contacted when needed to provide a fully executed copy of an agreement. An effort was begun toward the end of the project to catalog these agreements as part of the LUIS online catalogue system used by the Libraries. The project funding ran out before the data were entered online. In the course of this project, multiple license agreements were identified and departments were asked which campus site licenses, if any, they would like to see available at UF.

### 2.2.2 Previous efforts at coordination

In 1991, at the recommendation of the Task Force on Information Technology and Resources, Dr. Portier assigned the responsibility for campus software acquisition to CIRCA. No additional budget or personnel were provided to support this responsibility. The personnel duties were distributed as secondary assignments to several employees.

In the spring of 1992, CIRCA offered to the Council to re-assign a currently vacant position to the role of campus license coordinator; the Council accepted the offer. The position was converted from a USPS to an A&P position. The position was posted three times from August, 1992 to January, 1993. The interview process identified suitable candidates but offers were not accepted. At the Spring 1993 CIRCA budget hearing, it was apparent that there was not sufficient salary rate available to fund both the software position and other rate changes at CIRCA, e.g. the development of the UF Computing Help Desk. Accordingly, the plan to hire a software coordinator was abandoned.

To date, there is no software acquisition coordinator at UF.

### 2.2.3 Current efforts

In 1993, this working group retrieved the paper copies of the licenses collected in Portier's 1991 project and used this as a starting point to identify which licenses now exist at UF. This list of known licenses was placed on the LAS gopher server. A solicitation was posted on the CCC mailing list asking each department to review the list and inform us as to needed additions or deletions. A copy of the agreement for any new licenses was also requested. The collection of license agreements is now in the possession of Dr. Michael Conlon, Director of Information Resources for the College of Liberal Arts and Sciences.

We compared the resulting current list of known licenses to the list of software purchases in FY 92/93. We determined that UF still has a tremendous opportunity to pursue campus-wide site licenses and software purchase agreements and to consolidate existing agreements into a centralized campus-wide coordination effort.

#### 2.2.4 Case histories

We reviewed the history of several license acquisition experiences in an effort to identify the problems that exist. WordPerfect software, MacTCP networking software for Macintosh computers and the Campus Site License Grant from DEC were reviewed. A narrative history of attempts to obtain a purchasing agreement for WordPerfect software can be found in Appendix B.

### **2.3 Problems in Software Purchasing**

#### 2.3.2 Review of contract terms

Review of contract terms was identified as a major bottleneck in the acquisition process. Such efforts are often begun in an uncoordinated manner within departments. This results in the creation of potential agreements which cannot stand review and must be restructured. It is not unusual to have internal license review and creation of terms extend over many months. There have also been occasions where agreement could not be reached with a vendor. On some of these occasions the vendor's contract had been accepted by other SUS universities.

#### 2.3.2 Coordination losses

Delays in the acquisition of an agreement can occur for several reasons. Legal problems, contract terms, coordination of funding, and vendor-requested changes can all contribute. Such delays can create problems for the software-acquisition effort. Units who have committed to participation in an

agreement may back out when funding sources disappear or when their need requires that they go ahead with their purchase without benefit of an agreement.

### 2.3.3 Cost of administration

There may be costs to the University associated with administering software purchase agreements. In some cases these costs could, at least partially, be recovered as part of the program being proposed. In general, agreements do not explicitly require or provide for administrative cost recovery to the University. On the other hand, we know of no program which prohibits the collection of administrative costs as a part of redistribution of software internally.

Some agreements provide for rebates to the University and/or the reseller involved in the program. For example, the Novell site license which totaled \$57,619 in FY 92/93 returns 15% of the license fees to the University. The SAS license allows for an administrative fee to be added to the base cost of the per-copy fee. CIRCA administers this license and has added an administrative fee which amounted to \$20,026 in FY 92/93. WordPerfect's Corporate Affiliates Program (CAP) and the Microsoft Select Program, neither of which are currently in place at UF, offer software to the reseller at a lower cost than the suggested campus price.

### 2.3.4 Multiple acquisition methods

We also reviewed the many methods for acquiring software in place at UF. It is often unclear whether one should contact IFAS, CIRCA, their own college, mail order firms, or the Bookstore to find the desired software. This diversity leads to confusion and inefficiency. A single coordination point for software purchasing needs to be clearly identified on campus.

## 2.4 Other Implementations

The models for providing campus licensing support at other major public universities were examined. We examined the number of FTEs used, the job titles, the organizational reporting structure, distribution methods, and funding/cost recovery mechanisms. The following universities were surveyed:

The Ohio State University  
University of Illinois  
University of Texas

#### 2.4.1 The Ohio State University

The Office of Academic Computing (OAC) is responsible for site licensing. Some licenses are funded off the top and distributed at no charge. OAC purchases some and provides others at subsidy. OAC purchases and sells at cost recovery and never adds an administrative fee. This is used when coordinated orders are arranged and money is committed by units ahead of purchase. University units can create licenses and turn them over to the OAC for distribution. OAC distributes software via checkout of masters or disk exchange. The Bookstore is used for money transactions. The Bookstore has its markup. Three FTEs are involved made up from five staff members at OAC. These staff are fully funded from OAC budget. The University is fairly happy with its arrangements. It is moving toward Bookstore distribution and up-front money licenses.

#### 2.4.2 University of Illinois

The Computing Center Services Office (CCSO) has centralized licensing; other units need to justify licenses to Purchasing before these will be allowed. CCSO pursues licenses and is the liaison with vendors and legal staff. CCSO distributes software; central stores computer center handles some sales and distribution; MicroCenter handles student sales. CCSO publishes brochures and a newsletter to announce licenses and has a gopher list. Two to three FTEs pieced out of technical staff and funded from CCSO budget are used for software acquisition efforts. CCSO charges cost recovery for license and duplication. For limited-interest licenses, CCSO secures guarantees for funds from departments up front. For general-interest licenses, CCSO fronts money. Strategic software is paid off the top.

At times the system hasn't worked well due to legal delays. Duplication problems existed before these were contracted externally. Users have some confusion with three sites but CCSO is main contact site and will refer to others if needed.

#### 2.4.3 University of Texas

Computation Center Software Distribution Services (CC) centralizes campus site licenses. Resale agreements are handled through the campus MicroCenter.

CC surveys for interest, secures fund commitments up front and adds administrative cost recovery. CC does not front any costs. Unit-level licenses

are allowed. CC is liaison with legal staff and does all distribution, duplicates diskettes, never loans masters, sells masters to department coordinators. The vast majority of software is distributed over the net. CC publicizes licenses via handout brochures and plans a gopher list.

The MicroCenter has a resale center that deals in stock and large volume resells.

At CC, one clerk handles paperwork/billing/accounts; 1/2 FTE for PC tech; 1/2 FTE Mac tech; and one FTE as manager and vendor liaison; 3/4 FTE programmer handles support databases. All are supported from CC budget. They report they are satisfied with their system.

### **3. Functional Description**

Creating and maintaining software agreements between the University and software vendors requires attention to several functional domains. An agreement must be identified and created. Then software must be obtained and distributed within the University. University purchasers must know that an agreement exists and how to purchase software under the terms of the agreement. Vendors must be assured that the agreement will be implemented according to its terms. This may require regular reporting to the vendor as well as assurances regarding technical support of the software within the University. These tasks are described in the sections which follow.

#### **3.1 Acquisition/Renewal**

##### **3.1.1 Discovery**

Creating a software agreement begins with recognition of opportunities. These opportunities may come from the University community, from trade magazines, from the vendors or from Internet sources. Opportunities may involve high-volume "shrink-wrapped" software, shareware software, low-volume/high-cost scientific software and special purpose software. Collection of information regarding the potential for a University agreement to purchase or license software will require a pro-active approach. Initially, the major personal computer software vendors can be contacted directly to begin the work of creating agreements.

##### **3.1.2 Creating an agreement**

- Once the opportunity has been discovered, and a decision has been made to pursue an agreement, discussions begin. The vendor often has a “stock” agreement that it will attempt to use to secure the University's business. These agreements often have clauses which are incompatible with Florida State Statutes (see the next section), are unwieldy in the University environment or do not create a maximum advantage for the University. Terms of the agreement may need to be considered in the following areas:
- Definition of site. There may be issues of geography and membership in defining UF for agreement purposes. UF should typically strive for a broad definition of site to include employees not in the Gainesville area and/or employees of affiliated units such as Shands Hospital or the Athletic Association.
- Price. One goal of software agreements is to provide access to software at reasonable prices. Software is often substantially discounted. For example, WordPerfect word processing software with a list price of \$495 per copy may be purchased for \$20 per copy under the WordPerfect, Inc. academic purchasing plan. There are instances where the “cost” of software can be reduced to \$0, that is, the University agrees to distribute the software and users agree to purchase documentation. In other instances, a one-time payment to the vendor may permit unlimited distribution within the University.
- Home use. In some cases, software purchased by the University for use in a faculty member's office may be legally used in the faculty member's home as well. Such terms should be encouraged.
- Minimum purchase requirements. The vendor may request that a minimum threshold of purchasing be required under the terms of the agreement. UF should typically strive for a low initial minimum purchase and be wary of additional yearly dollar commitments.
- Accounting for sales within the University. The vendor may require that reports be produced regarding the use of the software at UF. See section 3.4.1.
- Means of distributing software and documentation. The University may be required to make and distribute physical copies of the software and/or documentation. See section 3.2.
- Access to vendor resources for technical support. See section 3.4.2.

### 3.1.3 Legal considerations

Agreements must be reviewed to make sure they are in accord with the laws of the State of Florida.

Wherever possible, review of terms should be accomplished by the designated UF purchasing agent who can consult with the UF attorneys when needed.

Some software agreements may need to be reviewed by the UF attorneys. In some cases, the public records laws or other laws of the State may conflict with the requirements of the vendor. In all such cases, the conflict must be resolved in accordance with Florida state law.

The potential for such conflicts to result in delay and/or failure to conclude an agreement must be recognized. The University may be put at a serious financial disadvantage when legal prohibitions regarding a vendor's proposed agreement make acceptance of the agreement impossible.

The University should make every effort to take advantage of existing SUS contracts where such contracts are advantageous to the University.

It should not be the case that the University of Florida fails to create an acceptable legal license while other SUS universities conclude agreements with the same vendor. The University President or designate should review all cases where agreements have not been reached. The terms of the agreements reached by other state universities should be reviewed to determine if UF can make use of previously concluded agreements.

Three additional recommendations may help address these problems. First, review and discussion with the vendor should be carried out by the purchasing agent whenever possible who will seek legal counsel when needed. Second, a Vendors' Guide to Licensing at UF should be developed which will address the more commonly occurring problems we encounter with contract language and conditions. Third, a Guide to Acquiring Software should be written to help UF faculty and staff understand the process and procedure for pursuing software licenses or purchases.

### 3.1.4 Brokering an agreement

It is often the case that a software agreement will require a minimum payment. While agreements are under consideration, the OSA (the proposed Office of Software Acquisition) should solicit interest from departments,

colleges and other units regarding financial interest in the proposed agreement.

In some cases, the financial commitment by departments, colleges and units to an agreement may fall short of the money needed to create the agreement. It may be clear that once an agreement is established, other departments will make purchases. In these cases the University should commit its resources to putting the agreement in place for the benefit of the entire University.

The creation of agreements for special purpose software can often be covered by departments with little additional commitment from the University. Resale agreements of general purpose software may require larger initial outlays of University resources to create. All such resource commitments would be entirely reimbursable through resale of the software within the terms of the agreement.

### 3.1.5 Recovery of existing licenses

As existing licenses and agreements are renewed, the license holders should be encouraged to migrate their licenses toward the proposed OSA. This will insure that agreements are well publicized, reported, and that the terms preserve the University's interests in the aforementioned areas.

Units which hold licenses should pursue this migration naturally and to the benefit of both the current license holder and the University. The unit will benefit from relinquishing the chores associated with license maintenance. The University will benefit by better terms and better information regarding existing licenses.

## **3.2 Distribution of software and documentation**

Software purchasing agreements often mandate that the University take on the job of local distribution of the software and documentation. This is another avenue by which vendors can pass along savings to the University community.

There are several available paths for software and documentation distribution. Each has merit depending on the nature of the software and the scope of the distribution.

### 3.2.1 On-line distribution

The University network infrastructure provides an information highway whereby software and documentation may be transmitted without physical duplication. Should the terms of an agreement permit electronic distribution of either the software or documentation, that option should be pursued. In some cases, extra assurances of control of distribution will be required. The University should develop the technological means to assure that only authorized access to electronically distributed software and documentation occurs.

On-line distribution has been successfully used to distribute public domain software at UF as well as software that is licensed for unlimited distribution within the University. These efforts have resulted in large cost and time savings for the University community as software can be "down-loaded" from the University network in a matter of minutes, rather than requiring that a person go to a particular location to make and receive a physical copy of a piece of software on a tape or diskette or CD-ROM. Such distribution should be encouraged as part of the software acquisition process.

### 3.2.2 University of Florida Bookstore

The University of Florida Bookstore provides a central resource for retail resale of software and manuals on campus. The Bookstore has an interest in providing this service through its Technology Hub. The Bookstore provides the means for distributing diskettes and manuals and for insuring that users have signed appropriate software licenses. In return, the user will be charged a handling fee by the Bookstore.

Such a system is convenient for users who must buy single copies of software on short notice. The Bookstore is conveniently located and departments are familiar with its financial procedures. The Bookstore can also easily accommodate personal purchases which may be covered under particular software purchasing agreements.

However, the Bookstore may not be the most appropriate distribution channel for software that will be purchased for an entire department or college. Having individual users go to the Bookstore to conduct transactions may require unnecessary duplication of effort. Distribution at the department or college level may be more appropriate for strategic software.

### 3.2.3 Contracted duplication and distribution

For large unit purchases, software may be duplicated by the University through a contract with a firm providing such services. A separate contract may be required for duplication of documentation. Large volume purchasers

(colleges and departments) may find it financially advantageous to pursue their own duplication efforts. All efforts must be clearly documented and in accordance with the terms of the software purchasing agreement.

Such duplication has, in the past, occurred mostly on personal computer diskettes. As software becomes more sophisticated it becomes larger. For example, the SAS System for Information Delivery, a popular software system for Windows PCs at UF, is distributed on up to 65 high density 3.5" diskettes. Vendors are moving toward CD-ROM for distribution of sophisticated software systems. The size of such efforts may require the involvement of contractors.

Out-sourcing distribution of software as well as its duplication under the terms of a University software agreement may be an attractive alternative to on-line distribution or Bookstore distribution for some software systems.

### **3.5 Publicity**

The currently available software licenses, software purchasing agreements and otherwise best prices on software must be readily known to the entire University community. As new agreements are created, the University community must receive word. There are several available channels for the dissemination of this information that must be pursued.

Software agreement information is likely to change frequently. The University should have many agreements in place and these agreements should be constantly reexamined to provide the best advantage to the University community. The software industry is extremely dynamic. It is likely that information regarding software agreements will change weekly, making some methods of information dissemination extremely expensive.

- Gopher. The University campus wide information system (UFINFO), based on the gopher software system, currently houses some information regarding software and hardware purchasing at UF. Gopher provides a natural on-line repository for such information that is readily accessible from every administrative desk at the University. Gopher's use as the primary repository for software agreement information is the obvious solution to the problem of dealing with information that may change and must be accessible to the entire University community. Gopher should contain information on agreements in place, pending agreements, and best price information for software that is purchased directly from vendors and resellers.

- The ccc list. Many software purchases are initiated by or coordinated with departmental computing contacts. Most of these people subscribe to the campus computing coordinator (ccc) email list. The current enrollment on this list is 250. The University ccc email list provides a direct, and timely communication channel to these computing contacts. Information regarding software purchasing agreements should be posted to the ccc list as agreements are concluded. The ccc list can also be used to solicit interest in agreements under consideration for adoption. The ccc list is archived and previously posted material can be retrieved and searched.
- University Digest. The University Digest provides a timely and direct line of communication to most of the University community. Articles announcing new or revised agreements should appear in the Digest, with full announcements and details available through gopher.
- Purchasing newsletter. The Purchasing Department's newsletter is another direct line of communication. Articles should appear there on new software agreements. Full text of the articles and the agreements should be available in gopher.
- Direct campus mail to Deans, Directors and Department Chairs. Major new software agreements should be announced by a direct mailing to Deans, Directors and Department Chairs. While inefficient and expensive, this method of publicity can be effective as we move toward improved support and use of the gopher system. Full text of such letters should be stored in the gopher system.
- The ddd e-mail list. A Deans, Directors and Department Chairs e-mail list should be created and used to facilitate dissemination of administrative information including information regarding software purchasing.

### **3.4 Support**

There are two main areas of support involved in the creation and maintenance of software agreements. The license may require that the University provide usage information to the vendor. Some users may need support in their use of the software. Both may be required for the establishment of a software agreement. That is, the University might be required provide information regarding the use of the software (reporting) and in addition, agree to provide technical support. The first of these functions is rightly performed by the proposed OSA. The second is performed by existing computer support organizations.

Agreements may stipulate that a portion of the within-University sales price must be used to provide support for the product. Funds raised by these terms will be used to provide the materials and manpower needed to perform the terms of the agreement.

### 3.4.1 Reporting

Some agreements require UF to provide information to the vendor regarding the use of the software. Records must be kept regarding sales and timely reports must be provided to the vendor. These functions must be performed by OSA. See Section 4.

Additional reports will be needed by OITS (Office of Information Technologies and Services) and CITS to provide accountability for the operation of OSA. OSA should produce quarterly reports of agreements in place and agreements under discussion to provide information for oversight.

### 3.4.2 Technical Support

Some agreements require that UF provide technical support to users of the software. This can mean that the University obtains the software for substantially reduced prices. Vendors often anticipate cost savings when dealing with academic purchasers by requiring this local support. In these cases, academic users cannot call the vendor for support. They must call University support organizations. As some agreements are created, assurances of support may be required. For the University to support a new software system, University support organizations must have appropriate hardware, software and personnel resources. In some cases new software may increase the burden on existing support organizations.

Part of the discussions regarding the creation of a software agreement must involve technical support. Vendors often have programs to assist local support organizations. Some of the features of these programs include the following:

- On-line documentation. In addition to materials designed to assist support organizations, vendors can often make agreements regarding the deployment of on-line documentation for the University community. Network access to vendor materials for all users is a desirable goal. OSA should pursue the acquisition of such materials in coordination with the OSA should also arrange for availability of such material through campus service providers.

- Special vendor support materials. Vendors may have support manuals, help desk software, databases of frequently asked questions with answers, and CD-ROMs for support. These materials must be available if the University is to do a quality job of supporting its users.
- Vendor technical support. Software agreements should include access to vendor technical support for University technical support staff.
- Vendor training. University support people must have access to vendor training. This could be provided by the vendor as a term for adoption of a software system.

## **4 Implementation**

Two FTEs will be needed to perform the licensing coordination and management functions described in this document. These positions should report to Purchasing and be entirely dedicated to the software acquisition activities described in this report.

### **4.1 Campus License Coordinator**

The Campus License Coordinator should be a full-time A&P state line position with the title of Computer Applications Coordinator. This position has the responsibility for creating, maintaining and coordinating software agreements for the campus. This position will report directly to the Director of Purchasing and will work closely with Purchasing Agents who review the content of agreements to ensure that terms result in maximum benefit to the University.

This person should have good organizational, management and communication skills; must be able to work independently; and should have a technical background with experience in installing and/or managing software on computer systems or networks. This position requires a good knowledge of the various campus computing environments.

This person must be willing and able to work with a variety of units on campus. The person acts as a facilitator to pro-actively create agreements and arrange for software and document duplication, support, and dissemination of information regarding agreements. The person must work closely with campus computing groups. The person must maintain and update their computing skills.

## **4.2 Computer Support Technician**

One FTE of technical computer support will be needed to assist the Campus License Coordinator. The recommended title is Computer Support Specialist. This position will report to the Campus License Coordinator. Primary duties are to provide programming and maintenance of software systems used to support the campus license coordination effort. This includes databases, gopher trees, and CD-ROMs which are used to provide information, documentation and software, maintain records, and/or produce reports.

## **4.3 Equipment**

Each position will require a networked personal computer.

## **4.4 Clerical Support**

Clerical support for this office shall be provided by the Division of Purchasing.

## **4.5 Auxiliary Account**

An auxiliary account should be established for the dedicated purpose of acquiring software agreements and handling the cost recovery of these agreements. The account should have an initial line of credit of \$20,000. The initial funding can be provided using a loan, since money drawn from this account will be repaid by units as agreements are created. See section 3.14.

Any funds spent from this account should generally be recovered within twelve months as the software is distributed to the departments and they are billed for their portion of the license cost. Rebates provided by agreements should be returned to this account and used at the discretion of the campus license coordinator to support licensing efforts.

## **5 Business benefits**

The benefits of pursuing a University level strategy for creating and maintaining software licenses are substantial. The cost of implementing such a strategy is reasonable.

A University strategy for creating and maintaining software agreements will have the following benefits:

- Reduce legal liability. A University effort to create and maintain software agreements will heighten awareness of software use at the University. Departments will be readily able to obtain legal copies of critical software systems at reasonable prices.
- Save money. With more than \$3,000,000 spent annually on software, the University should expect to save more than 10% in software costs each year.
- Improve support. Software agreements can be created which give the University access to support materials, vendor expertise and on-line materials that will improve the ability of the University to support it's software users.
- Improve productivity. Current versions of software are more productive than earlier versions. Much time and effort is expended at this University in trying to use multiple out-dated versions of software systems. By providing agreements with attractive terms, the University will put departments in a position to solve problems related to outdated versions.
- Create opportunities to identify strategic software. By organizing and reporting on software agreements and purchases, management information will be generated which can help identify which software it is important to fully support.

## 6 Participating Members

Dan Arrington Operations Analysis	Mike Conlon, Ph.D. College of Liberal Arts	Marie Dence NERDC
Bill Merriam Shands Hospital	Pete Kearney IFAS	Barbara Oliver Library
Leitha Smith University of Florida Bookstore	Mark P. Hale, Jr., Ph.D. CIRCA	Tom Hintz IFAS
Ed Gilbert Operations Analysis	Mike Remer College of Engineering	Joe Pandur Purchasing
Joe Barron Assoc General Counsel	Sue Wright College of Medicine	

## Appendices

### A. Data

Purchasing data from FY 92/93 year were examined to determine the amount of software purchased and to attempt to determine the most common software items, vendors and purchasers.

SAMAS data were retrieved for all purchases on the software object code 391002 for the fiscal year. 6,413 records were retrieved. These records do not include software purchased under other objects, such as those used by the Library. ID Requisition sales may also not have this object code. The records selected were examined manually to determine whether the object code was used correctly. 312 records were found that were incorrectly assigned the software object code. These items were typically small computer parts.

6,115 records were totaled by description, vendor and UF account number. The total dollar amount of software purchased in fiscal year 1992-93 was \$3,028,006.75. Much of this purchasing was done by the Northeast Regional Data Center. Data Center purchases were removed to determine the distributions of products, vendors and accounts used by the remainder of the University community. The remaining 5,763 purchases of software were made totalling \$2,032,222.91 in FY 92/93.

Tallies were created to find the 50 most common software descriptions. Unfortunately, the accounting system does not require product descriptions and the entry of descriptions was quite inconsistent. Table 1 shows the 50 most common descriptions, after correcting for variations in spelling, punctuation and abbreviations. These data provide extremely conservative estimates of the dollar value of particular products. Most products are not described at all and so cannot be tallied.

Similarly, vendor names were tallied. Here the data are somewhat better. Vendor names are common in the accounting data, although not required. Variations in spelling, punctuation and abbreviation are common. Table 2 shows the 50 most common vendors, in order of dollar volume. These figures are conservative. The true amount of business with any vendor is under reported due to the quality of the data. One vendor's summary of their business with UF for FY 92/93 indicated the total in Table 2 for that vendor was off by a factor of 6, that is, the vendor reported doing \$100,000 more business with UF than is reflected in the table.

Table 3 shows a list of the 50 most active accounts used to purchase software at UF in FY 92/93. These data are quite accurate as all records must have

account numbers and departments check the requisitions attributed to their accounts.

Table 1. Top 50 Product Descriptions  
Software Object Codes  
Fiscal Year 1992-93

<u>Description</u>	<u>Qty</u>	<u>Dollars</u>
<none>	3067	584390.06
DISTRIBUTION COP	4	74359.00
ETU EMULATING SO	1	65750.00
ACCT PURPOSES	76	37998.63
MAINTENANCE AGRE	4	35500.00
NETWARE	17	35450.02
MBS AS	2	33040.00
SAS	87	24838.44
WORDPERFECT	119	24528.22
BLANKET PURCHASE	89	19785.09
SERVICE	4	19728.00
RENEWAL OF SOFTW	2	19432.00
MISC. ITEMS - SE	34	18704.38
APS/PC BASE WORK	1	15538.00
ANNUAL RENEWAL L	4	15312.52
MISC. ITEMS AS P	15	12875.00
ASANTE 12 PORT 1	6	12181.00
HARVARD GRAPHICS	29	10283.15
SUPPORT	9	10029.00
250 USER LICENSE	2	10000.00
TO PROVIDE 25,00	1	9976.62
IBM	2	9285.85
BLNK FROM 07-01-	40	8955.57
IBM 3207 EMULATI	1	8205.84
MODEL IS SOFTWAR	1	8000.00
RENEWAL OF CODE	2	7659.90
LICENSE	5	7628.25
, I-DEAS	1	7500.00
COMPUTER SOFTWAR	28	7170.95
DIGISONICS' FETA	1	7050.00
MISCELLANEOUS IT	15	6945.98
AUTOCAD V 12 SOF	1	6634.71
WINDOWS	28	6413.93
FIELD SERVICE MA	4	5940.00
JDS 1000 SALES/T	13	5921.11
LICENSE AGREEMEN	1	5500.00
SURVEY NETWORK	1	5250.00
MULTIPLE CHOICE	1	5250.00

RADIO NEGOTIATOR	14	5162.00
JETFORM FILLER /C	2	5109.20
VGA ERDAS TO SUN	1	5066.75
123 OS	2	5015.00
QL-OTL9W-AN PATH	1	5000.00
THOUSAND USER LI	1	5000.00
FRAMEMAKER 3.1 F	2	4790.27
RENEWAL OF IMSL	2	4650.00
P/N 85F0796 NETW	1	4638.00
DISPATCHER SOFTW	1	4606.88
COREL DRAW	15	4586.57
XEDIT & REXX SOF	1	4502.98
SPECIAL PERFORMA	1	4500.00

Accounting records = 3762

Dollar value of these purchases = \$1,271,638.87

(62.6\% of total dollar value)

Table 2. Top 50 Vendors  
Software Object Codes  
Fiscal Year 1992-93

<u>Description</u>	<u>Qty</u>	<u>Dollars</u>
AUX-ST SALES	833	189874.99
NOVELL	16	107254.00
MBS TEXTBOOK EXC	3	98790.00
IBM	36	45220.30
DIGITAL EQUIPMEN	43	42159.58
FLORIDA BOOKSTO	226	39900.16
<none>	136	36042.19
NOTIS	4	35500.00
PC CONNECTION	96	30916.69
FORSYTHE	61	29174.94
MACWAREHOUSE	149	28819.40
SAS INST	33	27998.89
SUN MICROSYSTEMS	10	27717.38
DISCOVERY	73	27147.20
COMPUTER EXPRESS	3	24617.53
MICROWAREHOUSE	95	22952.30
MICROSOFT	115	22629.35
BORLAND	92	21411.04
INTERSOLV INC	2	20287.53
EXT SVC-ST SALES	177	18985.25
JANDEL SCIENTIFI	51	16878.00
SOFT SWITCH INC	5	16337.52
RESEARCH INFORMA	38	12101.20
MAC WAREHOUSE	39	11703.95

NATIONAL DATA PR	37	11700.78
CENTERLINE	3	11489.82
RESOURC	33	11405.59
CLUB MAC	4	10975.00
GRAPHIC	4	10800.00
ERDAS	3	10579.50
DUN & BRADSTREET	2	10456.80
AUTODESK	5	10230.46
WOLFRAM	19	9803.25
APPLE COMPUTER I	34	9686.95
VDA SOLUTIONS	7	9258.00
ANALOGY INC	8	9000.00
NATIONAL COMPUTE	4	8822.00
JEQUIN	11	8820.00
NATIONAL BIOSCIE	5	8754.00
FIRST SOURCE	5	8400.00
NETWORK	7	8264.00
EXPENSES	19	8104.54
IMAGE LOGIC CORP	1	8000.00
MAC CONNECTION	47	7998.00
MATHWORKS	6	7994.00
AUTODESK INC	10	7990.29
UNIV OF FL BOOKS	12	7772.89
LASER ACTION	14	7688.57
TANGENT, INC.	1	7647.00
SDRC	1	7500.00
HEWLETT PACKARD	26	7286.00

Accounting records = 2700

Dollar value of these purchases = \$1,217,058.03  
(59.9\% of total dollar value)

Table 3. Top 50 UF Accounts  
Software Object Codes  
Fiscal Year 1992-93

<u>Description</u>	<u>Qty</u>	<u>Dollars</u>
572925163	44	133202.80
021325162	9	99305.25
572900101	54	67761.60
604100150	36	45562.17
577600102	10	39195.00
340130176	22	35141.38
271425162	8	27684.53
577300402	36	24855.88
162348312	63	23670.54

180100101	36	22424.31
290772416	17	21686.56
450811812	11	21418.91
450407312	20	20508.84
291380212	44	20471.90
291430176	72	20464.47
020100469	15	19340.68
011500101	12	19106.47
020600100	12	16999.76
660700153	61	16557.47
231025162	47	15687.11
070108162	19	12518.70
610302651	8	12281.14
290880211	37	12079.49
291910532	51	11312.74
574125163	4	11278.13
540125163	23	10898.07
720613212	4	10760.80
450719612	15	10588.94
060400100	19	0319.50
290117531	28	10319.04
290130176	29	10307.67
060200100	32	9458.57
270300230	27	9367.14
624909552	15	9205.92
290480110	45	8779.47
290830176	26	8527.06
610600151	6	8470.00
231250016	2	8108.50
450546112	8	7989.00
271000134	9	7950.00
160946512	5	7905.52
170406002	10	7688.39
290581410	8	7632.65
291730176	19	7542.76
270117631	7	7312.00
290100131	17	7202.90
020200100	36	7187.59
280971112	26	7183.81
724712912	15	7141.45
161308002	4	6971.27
320600231	22	6919.85

Accounting records = 1205  
Dollar value of these purchases = \$992,253.70  
(48.8% of total dollar value)

Total Number of Records in FY 92/93 = 5763, Dollar value of all records = \$2,032,222.91

## **B. The Story of WordPerfect**

The history of the effort to obtain a campus site license for WordPerfect products was chosen to be included in this document because it is a current effort and it points out the many problems that can occur. This license would offer the campus tremendous benefits which include:

- A low cost maintenance plan (\$5-\$7 per copy per year) that would make and keep all copies of this vendor's software current. Maintenance is not available without the site license and currently more expensive upgrades must be manually purchased in order to keep the software current.
- A discounted new purchase price available in single-unit purchases. For example the site license price for the WordPerfect product is \$20 and this price is comparable to the price offered by IFAS software distribution (\$30). However, when purchased through the University of Florida Bookstore, the best price for the WordPerfect product is \$135 for a single license or \$299 for an 8 copy license.
- A distribution provision that allows the software to be copied and distributed as needed on campus. New purchases and maintenance license copies are reported quarterly to the vendor along with the payment for these copies. This provision makes it very unlikely that pirated versions of this vendors software will exist on this campus unless a department should deliberately underreport their usage.
- Electronic distribution of software, documentation and user support is provided via an automatic CD-ROM subscription that is included with the license. This also includes access to support and services that are not otherwise available, such as early access to all beta-test copies of the vendor's products and a technical support database.
- Inclusion of all computing platforms. WordPerfect products for DOS, Windows, Macintosh, SUN, NeXT and others are included.

The initial request for interest in pursuing this as a campus license was made on June 21, 1993 by the College of Medicine. On October 19, with the concurrence of Dr. Trickey the college decided to pursue its own license agreement with WordPerfect.

June 25, 1993. Dr. S. Trickey requested a legal review of the WP Education Enterprise License Agreement (Rev. 2 10/28/92)

July 1, 1993. License review sent to Dr. S. Trickey/Dr. M. Hale from General Counsel's Office.

August 25, 1993. Legal Office received WP Addendum to Enterprise License Agreement for review.

Sep 3, 1993. Review of Addendum sent to S. Wright by Legal Office.

Sep 27, 1993. Craig Christianson, Legal Counsel for WP, requested copies of Florida Statutes for public records, laws of Florida, and payment.

Oct 20, 1993. Documents sent by facsimile to C. Christianson by Legal Office.

Oct 29, 1993. WP send Legal Office revised Addendum and Enterprise License Agreement (Rev 4A 8/1/93).

Jan 26, 1994. Legal Office reviewed revised Addendum and License and sent response to Dr. S. Trickey, cc to Dr. M. Hale and Susan Wright. Noted therein that this is the third review providing essentially the same comments.

Jan 26, 1994. E-mail from S. Wright stating Dr. M. Hale to pursue WP license, Health Center no longer taking lead as it has obtained its WP license by another means.

The long delays in the acquisition process for this particular license are not unusual and the recommendations of this document would help to alleviate much of these problems.

Further background on this effort is contained in the correspondence which follows.

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