Software Procurement and Licensing Compliance (SPG 601.03-3)

April 2017
Highlights of Software Procurement and Licensing Compliance SPG

Effective Date: April 10, 2017

• Software, both online and shrink-wrapped, may be purchased using a P.O. or PCard without Procurement Services pre-approval provided that:
  – The total cost does not exceed $5,000 (PCard)
  – The total cost does not exceed $10,000 (P.O.)
  – No data classified as high or restricted in terms of sensitivity resides on the third-party providers servers.

• Supports the proper use of software licensed by the university, or by an individual using U-M funds, to carry out administrative, academic, teaching, learning, research, and clinical activities.
Benefits of New SPG

- Greatly enhanced ability to purchase non-enterprise software by PCard or P.O. without the need for Procurement Services approval. Better meets modern-day volume of software purchases that need to be made quickly in support of teaching, research, and other U-M core missions.
- Software will no longer be on the restricted commodities list.
- OGC has approved a limited delegated authority to faculty, staff, and units to agree to click-through agreements without prior approval of Procurement Services.
- Better reflects current software market, which is increasingly cloud-based or instantly downloadable.
- Supports more effective software asset management by assisting departments, researchers, and faculty in procuring and managing software purchased by U-M.
- Articulates standards of ethical conduct with respect to licensed and copyrighted software and helps ensure that U-M and its faculty and staff stay in legal compliance with licensing agreements.
- Procurement Services remains available to review and assist departments with interpretation of license language if preferred.
SPG 601.03 and SPG 601.03-1
Retired in 2016

Ownership of Computer Software (SPG 601.03), issued 1979, never reviewed or revised and Management of Copyrighted Software (SPG 601.03-1), issued in 1993, never reviewed or revised

U Audits (2011) recommended that these SPGs be updated or retired.

Both SPGs were retired and removed from SPG catalog in 2016. They were significantly out-of-date, primarily procedural, and had not been followed for many years.

SPG 601.03 was effectively replaced by Who Holds Copyright at or In Affiliation with U-M (2011) and Technology Transfer Policy (2009)
U-M Stakeholders Consulted

- All IIA and ITS staff
- SACUA
- MCIT Software Licensing
- MSIS
- UMHS Compliance
- UM-Dearborn
- U-M Copyright Office
- U-M Library

- Unit IT Steering Committee
- ITS ITAM Working Group
- Office of General Counsel
- Umich ITAM membership
- UHR Communications
- U Audits
- ITS Customer Relations Group
- CAEN Software
Other Campus and Industry Benchmarking

- All Big 10 institutions
- Duke University
- Rhode Island School of Design
- Stanford University
- Temple University
- Tulane University
- UC Berkeley
- UC Santa Cruz
- University of North Carolina
- University of Pennsylvania
- University of Texas, Austin

- BSA: The Software Alliance
- CDW Reference Guide: Software Lifecycle Management
- Educom Code: Using Software: A Guide to Ethical & Legal Use of Software for Members of the Academic Community
- Pacific Gas & Electric Employee Code of Conduct
- Software and Information Industry Association: Software Policies for an Organization and Its Employees
Partial List of Software License Restrictions

- **Source of Funding**: Specific terms and conditions based on funding source (e.g., grant, non-grant, government, corporate, commercial).
- **Personally-owned devices**: Some licenses do not permit software to be used on PODs, even for university-related work.
- **Locations**: Some licenses specify locations at which software can be used (e.g., classroom, research, administrative) and prohibit usage in other locations.
- **Original Purpose**: Some licenses specify that a license for a specific purpose or activity (e.g., research, commercial, educational) cannot be used for any other purpose or activity.
- **Multi-device Usage**: Per-seat licenses do not usually allow for multi-device usage by same end user.
Recommended Next Steps

• Departments, units, research projects should consider incorporating basic software licensing compliance education and awareness into orientation for all new hires.
• Departments and units should maintain records of all software purchases.
• Departments and units should have internal procedures to deal with software lifecycle management, including removing or destroying copies of software that are no longer in use or under a current license agreement.
• Departments and units should have procedures for when a faculty member or researcher leaves the university and has licensed software that is being relocated.
For Further Information

• Software Procurement and Licensing Compliance (SPG 601.03-3): spg.umich.edu/policy/601.03-3

• For guidance and assistance from Procurement Services:
  – Email: procurement.technology@umich.edu
  – Website: procurement.umich.edu/buying/find-products-services/category/software

• For currently U-M licensed software available to departments, faculty, staff:
  – ITS Software Licensing and Distribution: itcs.umich.edu/sw-info/
  – Umich ITAM: umichitam-help@umich.edu

• For information about end user license agreements and user requirements for unit-purchased software, contact the initiating department.