CHECKLIST

Software Contract Negotiation Checklist

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What should you negotiate for in the software contract? How?

Companies spend more dollars on software than they've had in the past, thanks to the perpetual license plus maintenance model.

Introduction

Negotiating a software contract, whether for the first or seventh time, is a difficult task. The negotiation of a software contract does not happen spontaneously or end abruptly at the vendor's negotiation table. It's a time-consuming process that can take days or even weeks of research, conversations, and amendments before a contract is made official. For a fruitful software contract negotiation, as a team, decide on the software features required, budget, optimal contract length, and so on. This checklist will help you walk in the correct direction while negotiating software contracts.

LEGAL AND PROCUREMENT ASSISTANCE	Yes/No
Have you engaged in legal advice and services to review the contracts, the legalities and assist with negotiations?	☐
Have you engaged specialist procurement advice and services to review the contracts and assist with negotiations?	☐
THE CONTRACTS	**Yes/No**
Have you received them all? You may have a software license, software support, maintenance agreement, implementation and training services agreement, service level agreement?	☐
Have you, your project team, legal, and procurement reviewed each in detail?	☐
Have the contract terms been clearly defined?	☐
Do you fully understand the contract(s), their key terms, and clauses?	☐
Are they acceptable to you?	☐
Is the license transferable, just in case your organization changes and you wish to use the software with a yet-to-be acquired or a new company?	☐

MODIFICATIONS AND INTERFACES	Yes/No
Are all modifications and interfaces documented in detail?	☐
Do you have a scope, estimate of the work, deliverables, responsibilities, and an accurate estimate of costs for each?	☐
Have you agreed on these with the vendor?	☐
Have both parties signed them off?	☐
DATA CONVERSION	**Yes/No**
Have you identified which data will be taken on to the new system?	☐
Have you documented which files will need to be converted?	☐
Have you determined who responsibility this will be - yours or the vendors is?	☐
Has this been agreed upon with the vendor?	☐
If the vendor's file conversion service is limited, have you determined how to get the rest of the data into the new system?	☐

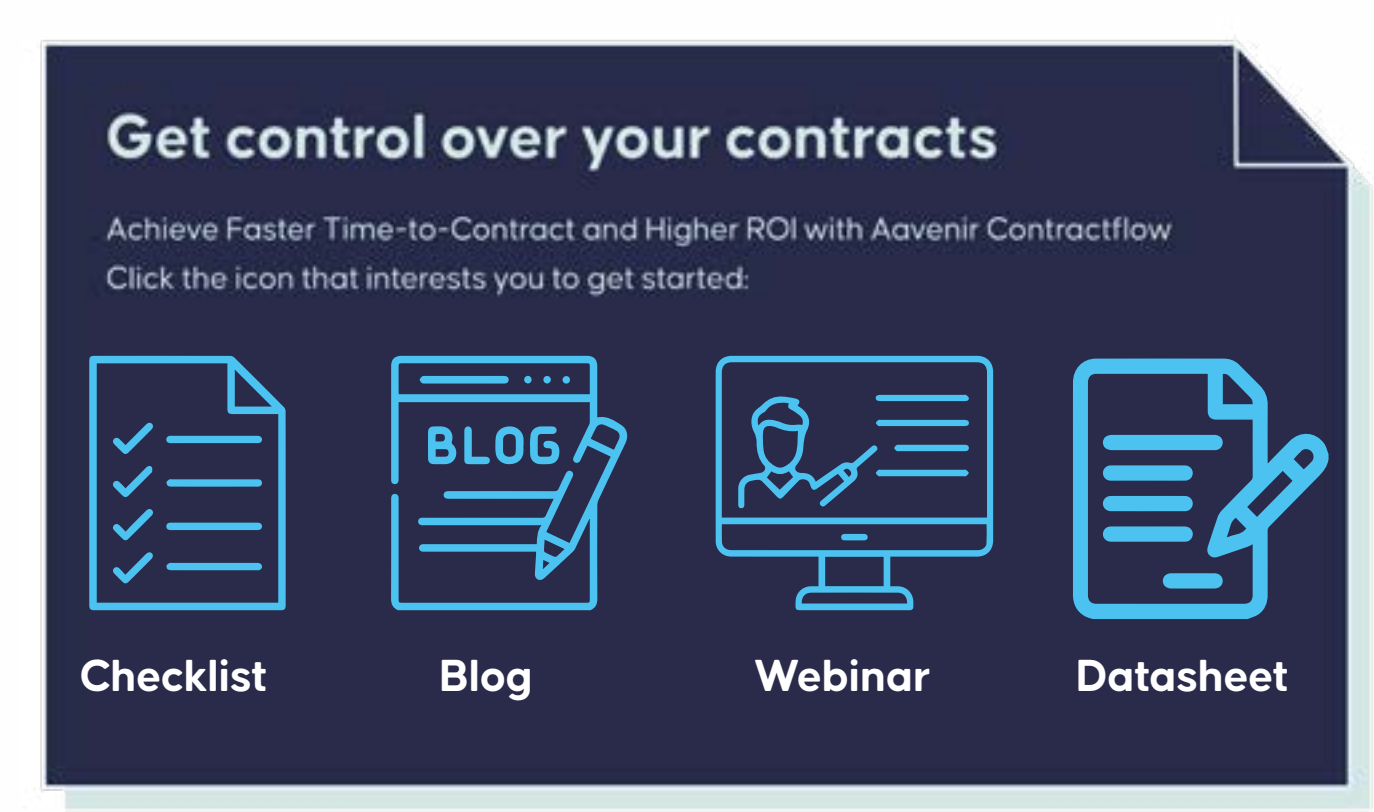
TRAINING	Yes/No
Have you completed a training needs evaluation for using the new software?	☐
Have you determined how much training the vendor will provide, which is included within the agreement?	☐
Have you determined how to deal with any additional training needs and costs for this?	☐
Has the vendor confirmed that system application documentation and training materials are included within the agreement?	☐
Have you included separate time and costs for developing and documenting your system operating procedures and processes?	☐
OTHER 3RD PARTY SOFTWARE LICENCES AND HARDWARE	**Yes/No**
Has the vendor specified what additional 3rd party software and hardware will be needed for your organization?	☐
Has the vendor helped you to understand this and where it may be sourced from?	☐
PROJECT MANAGEMENT	**Yes/No**
Do you have a detailed project scope?	☐
Do you have a detailed project plan?	☐
Are all the major project implementation decisions documented?	☐

PROJECT MANAGEMENT	Yes/No
Are your's and the vendor's responsibilities clearly defined?	☐
Have you specified key implementation/sign-off milestones?	☐
Has the vendor agreed on the scope, plan, milestones, vendor (and yours) responsibilities?	☐
DUE DILIGENCE	**Yes/No**
Have you completed all due diligence tasks?	☐
Do you have a complete picture of the total cost of ownership, i.e., licenses, databases, hardware, implementation, training, and ongoing expenses?	☐
Is there a defined payment schedule when you should make progress payments?	☐
Have you negotiated the costs and payment terms for each?	☐
Have all the contract amendments and changes you negotiated been added into a revised contract?	☐
Have you resisted vendor pressure to sign the contract early (before completing all tasks)?	☐

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About Aavenir

Aavenir revolutionizes age-old procurement processes with AI-enabled Source-to-Pay solutions, including RFPflow, Onboardingflow, Contractflow, Obligationflow, and Invoiceflow. Built on ServiceNow, Aavenir solutions streamline procurement, legal, and accounts payable work processes using the latest technologies such as AI, ML, and NLP to

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