

Effective: May 1, 2009
Responsible Office: CIO
Title: **Guidelines for Third Party Agreements**
Approved: *IT Infrastructure Advisory Group (ITIAG)*
Purpose: Outlines the guidelines for entering into a 3rd party agreement involving IT services.

A. Rationale and Purpose of Guidelines:

Software as a service (SaaS), application service providers (ASP), consulting or other outsourced IT services are often required for supporting campus administrative, academic and/or research efforts. Before entering into an agreement with such third party IT services, there are a variety of items to consider, in addition to cost.

B. Considerations regarding third party contracts include:

1. *Clarity about the provided service.* While this seems obvious, explicit expectations for the third party are necessary; otherwise you are likely to waste time and budget.
2. *Opt-out options.* How do you get out of the agreement? Any agreement must clearly define what is required for you or the third party to terminate the service. Additional important considerations include what is the maximum duration of the agreement, and how do you gain access to your intellectual property or University data if the agreement is terminated?
3. *Expectations regarding intellectual property and data.* What are the expectations from the third party to protect your intellectual property or University data? Are there additional fees if it is necessary to audit access to the third party systems to the service or restore data from a backup?
4. *Authorization to enter into a contract.* Are you authorized to sign the agreement? In most cases term of service agreements are considered legally binding contracts and as such can only be signed by a legal representative of the University.
5. *Legal considerations for the agreement.* Many contracts have language that is contrary to Colorado statutes; i.e. third party contracts often have language for indemnification or a hold harmless provision; however, Colorado State Statutes oppose accepting this language, except in rare cases.
6. *Changing terms of service.* What happens if the third party changes the terms of service? A significant change could have negative consequences to internal processes.
7. *Appropriate service levels.* Do the service levels meet your own expectations for internal processes? If your internal processes would be damaged because the service is unavailable for 24 hours the agreement should reflect a higher level of service that appropriately covers your needs.

8. *Copyright.* Does the individual have authorization to post the content? Understanding who is the copyright holder and/or what processes need to occur to lawfully obtain copyright is important; i.e. obtaining student approval before posting class video.
9. *Adequately protecting the data.* In the case of having university discussions on a third party system the discussions most likely are a university record. In most instances, the information should be maintained on a university owned or university controlled system. The term "controlled" can either mean that it is physically located and managed locally, or control could be in the form of an explicit contract. If the campus does not have such a service that supports the business need, then a third party option may be appropriate. This option must still meet campus requirements regarding adequately protecting the data, which means establishing a contract with the third party to appropriately articulate what data might be classified, restricted, and/or private

C. Procedures:

In the following cases a review of the agreement by the Campus IT Security Office is required to ensure that the agreement complies with campus standards (<http://www.colorado.edu/its/policies/>):

- Are you transferring student data to a third party system?
- Will the third party be accepting financial transactions (e.g., credit card payments, ACH transactions, etc) on behalf of the University?
- Will the third party be handling data that is defined as a University Record? (<https://www.cu.edu/policies/General/Retention-UnivRecordsAPS.pdf>)
- Will the third party be handling data that classified as "private?" (https://www.cu.edu/policies/General/IT-Sec_InfoClassification_P.pdf)

To initiate the review or if you have any questions please contact the IT Service Center at (303) 735-HELP, 5-HELP on campus help@colorado.edu Monday to Friday, 8:00 a.m. - 7 p.m.

D. Responsible Organization:

The IT Security Office will be responsible for maintaining and interpreting these guidelines.