

ILTACON 2024

NAVIGATING I.T. CONTRACTS

Moderator

Candace Reinhart

Panelists

Mary Vareberg

John Adams

Meghan Kane





THANK YOU



International
Legal Technology
Association



ILTACON 2024

**NAVIGATING
I.T. CONTRACTS**

Moderator



Candace Reinhart

LinkedIn



Mary Vareberg



John Adams



Meghan Kane

Candace J. Reinhart, CLFP, has 30-years in the finance industry, and is currently the **COO/CXO of CoreTech Leasing**, where she oversees all operations. A thought leader in the industry, renowned for her best practices and her expertise in equipment leasing and financing. Candace's role is characterized by her operational efficiencies and client value, underpinning the company's esteemed position within the industry. She has a Certified Lease & Finance Professional (CLFP) designation, underscoring her knowledge and ethics. Candace also serves on the CLFP Board of Directors, highlighting her industry influence and dedication.

Panelist



Candace Reinhart



Mary Vareberg



John Adams



Meghan Kane

How many times have you seen, “[click here to accept](#) the terms and conditions” and then actually read them? Mary Vareberg, Manager of Procurement for Taft Law, does read those terms and conditions. With over 20 years in the procurement field and 4 years in the legal sector, she has a passion for reading contracts, believing it is the first step in defining the relationship with a vendor. Many vendor contracts are one-sided, usually favoring the vendor. Her goal is to review contracts and find ways to make them mutually beneficial for both parties. In addition to her love for reading contracts, she enjoys baking, traveling with her family, running (when not recovering from an injury), and sharing bourbon over good conversation. She is excited to share her passion, experience, and expertise with you today.

Panelist



Candace Reinhart



Mary Vareberg



John Adams

LinkedIn



Meghan Kane

John Adams is an innovative professional with extensive experience in Telecommunications and IT Spend Management with a strong focus on customer satisfaction and retention. Experienced in all aspects of contract negotiations, contract compliance, issue identification and resolution, analytics creation and delivery, professional communications, project management, and expense management. Accustomed to serving as central point of contact, acting as liaison between business and technical groups, and communicating with levels of responsibility from “C” level to individual performer. Proven leader with experience defining roles and responsibilities, analyzing and structuring support teams, and identifying and managing resources.

Panelist



Candace Reinhart



Mary Vareberg



John Adams



Meghan Kane

LinkedIn



Meghan Kane is Managing Counsel, Commercial Transactions at Relativity since 2021. Her legal experience includes a focus on commercial contracting, technology and related intellectual property and privacy issues. Meghan has been a litigator and has also worked as in-house counsel for a theme park, major sports league, private equity held company and a S&P 500 company. Meghan received a B.S. in Business Administration (Decision and Information Sciences) from the University of Florida and a Juris Doctor from the University of Miami School of Law.

AGENDA

01 Session Introduction

02 Why Is This Important

03 Redline Exercise

04 Discovery

05 What The Experts Say

06 Wrap Up



Introduction

- From The Panel
- Redline Session
- Recap + We encourage Q&A throughout

Why is this important?

Mary?

10s of thousands...seen it ALL!

John?

Setting up partnerships for success.

Meghan?

Understanding is key (courtroom sciences).

Redline Exercise



BREAK OUT INTO GROUPS AND BEGIN REDLINE EXERCISE

ILTACON 2024





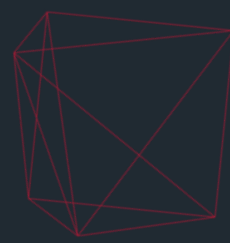
20:55

5 mins to read + 15 mins to redline and discuss

Discovery

What did we find?

Index



01 Contact Info

02 Products

03 Billing

04 Renewal

05 Services

06 Service Interruption

07 Termination

08 Data Privacy, Security & Use

09 Third Party Service Providers

10 Alterations and Upgrades

11 Advertising

12 Insurance

13 Notices

14 Assignment

15 Special Terms

16 Entire Agreement

17 Extra for your GC



What The Experts Say

Address & Contact Info

Did you see?

A company name of the purchasing company and vendor?
A contact name? Addresses, etc?

What this means...

Consider the post signing effect of the names and addresses on the contract. This is usually who will get notices later on.

Story

John...
Extra printers, anyone?
The signer was not authorized to bind the company and ordered a bunch of EXTRA machines!



What The Experts Say

Products

Did you see?

\$300.00
\$1,875.00
\$72,540.00
\$12,690.98
Total \$97,297.48

What this means...

The products section should clearly outline what is included and at what cost.

- Agreed and Negotiated?
- Discounts on what?
- Good dates?
- Good math?

Story

Mary...
But we didn't need (or use) the "Premier" support!



What The Experts Say

Billing Terms

Did you see?

Invoices must be accessed through Iltaconny portal unless Customer requests otherwise, in which case, additional fees will apply.

What this means...

Billing triggers payment. Non payment triggers default. Is this section clear, complete and something you can accomodate?

Story

Mary...
Turning off services at 10 days late?



What The Experts Say

Renewal

Did you see?

To the extent permitted by applicable law, the software will automatically renew for an additional three annual periods unless either party gives the other written notice of non-renewal at least 60 days before the end of the relevant subscription term.

What this means...

The default action is to auto renew and the terms of that renewal are not clear. There is an option to stop renewal but only under certain terms.

Story

Mary...
Whoops, missed the window. Now there are 3 more years at an even higher price.



What The Experts Say

Services

Did you see?

Iltaconny grants Customer a non-exclusive, non-transferable, world-wide right to access and use the Services for the term of this Agreement solely for Customer's own internal business purposes and subject to the terms and conditions of this Agreement.

What this means...

This should clearly and thoroughly specify/provide a detailed description of the software or services you are buying including support and SLAs.

Story

Meghan...
Pink turf! The terms of service weren't clear and we received an unexpected product...don't assume.



What The Experts Say

Services Interruption & Management

Did you see?

...will use commercially reasonable efforts to resolve the service interruption within the target turnaround time indicated, at Iltaconny's discretion...

What this means...

Specific or broad? This section should clearly define what the SLAs are and how, specifically the service will be managed. Think about maintenance, down time costs, guaranteed up-times.

Story

Mary...
 Needed the power of excel to calculate up-time commitments.
 Recently, CrowdStrike too!



What The Experts Say

Termination

Did you see?

Iltaconny may terminate this Agreement if the Customer is in Default. "Default" shall mean when the Customer...

What this means...

This is how to terminate and should be balanced for both parties. Clear steps to terminate, any penalties or costs associated, and what happens after termination. How is access affected.

Story

Mary...
60 days advance notice was required but service interrupted same day.



What The Experts Say

Data Privacy, Security & Use

Did you see?

The Provider may use the Client's data at its discretion, including for internal analytics, product improvement, and other business purposes, provided such use complies with applicable laws...

What this means...

How is your data secured?
 How might it be used by the vendor?
 Is everyone complying with the applicable privacy laws?
 Is consent for use included?

Story

John...
 Anything in the news this year...
 Encryption, Hacking, Ransomware, and the global impact. Eg. AT&T and CDK (automotive)



What The Experts Say

Third Party Service Providers

Did you see?

Iltaconny may engage third party service providers ("Third Parties") to perform certain services necessary for fulfilling the Agreement...

What this means...

There could be parties involved in the services beyond the parties who negotiated the agreement. Do you know who they are? How are their services managed and are they held to the same standards as the parties in the agreement?

Story

Mary...
Travel site so large we were left with only approve or not approve.

John...
A provider didn't disclose. Luckily no issues but what *could* have gone wrong?



What The Experts Say

Alterations Additions and Upgrades

Did you see?

The provider will use reasonable efforts to remain up to date with accepted industry practices.

What this means...

Can changes be made by the Provider? What about by the client? In either case, how are those managed and how do they effect your long term use and functionality?

Story

Mary...
What if the provider loses their access?

Meghan...
Updates impact security among other things and are critical.



What The Experts Say

Advertising

Did you see?

The Client grants the Provider a non-exclusive, royalty-free license to use the Client's name, logo, and trademarks for advertising and promotional purposes throughout the term of this Agreement...

What this means...

Think about who and how long you are giving access to use your logo or name. What if service levels change, branding changes or security changes.

Story

Mary...
Logo on a website long after the relationship ended.



What The Experts Say

Insurance

Did you see?

...including premises, personal liability, contractual, independent contractor, products liability, products/completed operations and advertising injury and (ii) Cyber risk insurance...

What this means...

What is included?
 What is required?
 Are these limits acceptable?
 Claims made can come later.
 Speak with your provider to learn about what is industry standard and your risk department for what is acceptable.

Story

Mary...
 Data breach is out there but the language (and protection of the event) is more uniform and mature.



What The Experts Say

Notices

Did you see?

If to Iltaconny
PO BOX 123
Anytown, USA

If to Client
info@associates.com

What this means...

Do both parties have good contacts? Think about the life-cycle of this agreement. If things change on either side, do you have a clear and direct path to get or give notice?

Story

Mary...
Fix this bug...but first, fix your link.



What The Experts Say

Assignment

Did you see?

The Provider reserves the right to assign or transfer its rights and obligations under this Agreement to any third party, affiliate, or successor entity without the Client's prior consent.

What this means...

Think about default and balance. Are both sides protected. Assignments and changes happen all the time, but what comes next? Is there a conflict with the new party?

Story

Meghan... Assignment happens all the time and is necessary. Understand the impact.

Mary... Clause to allow termination if the service or product suffers after assignment.



What The Experts Say

Special Terms

Did you see?

All of the extras....

- something extra
- something hidden
- something unclear
- something unbalanced
- something unreasonable

What this means...

Terms that don't fit elsewhere are often added to an extra "Special Terms" section.

Story

John...
What does this mean? It doesn't seem to fit?



What The Experts Say

Entire Agreement

Did you see?

...and supersedes all prior or contemporaneous oral or written agreements, representations, warranties, and understandings...

What this means...

This agreement is the whole agreement. Anything negotiated before that is contradictory to the terms here or excluded from the terms here are overwritten. You cannot rely on oral agreements, RFP or emails.

Story

Meghan...
Which agreement reigns supreme?



What The Experts Say

Extra Sections for your GC

Confidentiality

Limitation of Damages

Indemnification

Severability

Representations and Warranty

Force Majeure

Governing Law

Waiver of Jury Trial

Power of Attorney



Takeaways

\$5 trillion

The overall IT spending growth rate for 2023 was 3.3%, only a 0.3% increase from 2022. This was largely due to change fatigue among CIOs. Momentum regaining in 2024, with overall IT spending increasing 6.8% (\$1.5T).

9% of revenue

Cost leakage statistic - According to the International Association for Contract and Commercial Management (IACCM), companies lose an **average of 9%** of their earnings due to contract value leakage.

7.6% dispute

On average, approximately 9% of contracts experience a significant claim or dispute and specifically 7.6% for technology and software.

<https://commitmentmatters.com/2012/10/23/poor-contract-management-costs-companies-9-bottom-line>

<https://commitmentmatters.com/2014/04/23/are-you-in-an-adversarial-industry-insights-for-contract-negotiators-and-managers/>

<https://www.gartner.com/en/newsroom/press-releases/01-17-2024-gartner-forecasts-worldwide-it-spending-to-grow-six-point-eight-percent-in-2024>



Moderator & Panelist



Candace Reinhart

LinkedIn



Mary Vareberg

LinkedIn



John Adams

LinkedIn



Meghan Kane

LinkedIn



Access



- This Presentation
- Fully Redline Marked Contract
- Session Participants Contact Information

The background features several overlapping, semi-transparent circles in various shades of blue and purple, creating a dynamic, layered effect. The circles are of different sizes and are positioned in a way that they appear to be floating and overlapping each other. The colors range from a deep, dark blue to a vibrant, bright blue, with some purple and magenta tones interspersed. The overall composition is abstract and modern.

THANK YOU!