AI VENDOR EVALUATION CHECKLIST

FROM SMITH HILL GLOBAL CONSULTING – MAKING AI ACCOUNTABLE TO THE PEOPLE IT IMPACTS

HOW TO USE THIS CHECKLIST

This risk-aware, bias-conscious tool helps equity-driven organizations screen AI vendors through a values-first lens. Use it to spark critical conversations, identify potential issues early, and align technology decisions with your mission.

Whether you work in education, workforce development, social services, finance, or public health, this framework helps you challenge assumptions, expose weak spots, and demand genuine accountability.

Note: This checklist is a starting point, not a substitute for tailored expertise. It can guide your questions, but it won't decode complex answers or catch hidden risks buried in the pitch deck. That's where we come in.

Want the full interactive version with toggles, templates, and your branding? Ready for internal rollout? **Reach out: info@smithhillglobal.com**

SCORING

Rate each section 1–5 (1 = Poor, 5 = Excellent). Sections scoring below 3 may indicate equity or compliance risk. Proceed with caution or consult a specialist. This tool is not legally binding or exhaustive.

DATA QUALITY & REPRESENTATION

UNDERSTAND WHO'S REPRESENTED AND WHO'S EXCLUDED IN THE AI SYSTEM'S TRAINING DATA.

✅ **Critical Questions:**
- What's the demographic makeup of your training data
- How does the data reflect the communities or users we serve?
- What institutions/environments contributed the training data?
- Has the tool/system been tested on underserved or marginalized populations?

🚩 **Red Flags:**
"Diverse data" with no specifics, no subgroup testing results, over-reliance on elite or legacy systems, refusal to disclose data sources

ALGORITHM TRANSPARENCY & BIAS MITIGATION

KNOW HOW THE SYSTEM MAKES DECISIONS AND HOW BIAS IS CAUGHT AND CORRECTED BEFORE IT SCALES.

✅ **Critical Questions:**
- Can the vendor explain the decision/model logic in plain language?
- What fairness metrics are applied and how often?
- What happens when bias is detected?
- Is there a human override?
- How is model drift tracked over time?

🚩 **Red Flags:**
"Proprietary black box" language, no override or audit options, no bias mitigation plan, "bias-free" claims

REAL-WORLD VALIDATION

CONFIRM THE TOOL WORKS OUTSIDE THE LAB IN YOUR REAL-WORLD SETTING.

✅ **Critical Questions:**
- Has the tool been tested in real-world settings relevant to our sector?
- What's the error rate by demographic/subgroup?
- What outcomes improved, and how were they measured?
- What unintended consequences (outcomes of backfires) have been identified?

🚩 **Red Flags:**
Only lab/test environment data, no real deployment examples
No subgroup performance data, no analysis of unintended harm

DATA GOVERNANCE & CONSENT

PROTECT YOUR DATA, USERS, AND ORGANIZATION BEFORE AND AFTER THE CONTRACT.

✅ **Critical Questions:**
- How is user or organizational data collected and stored?
- Can users opt out or be informed of AI involvement?
- What happens to our data if we end the contract?
- Does the vendor claim ownership of any derivative or aggregated data?

🚩 **Red Flags:**
Vague or confusing consent language, no opt-out pathways, indefinite data retention, ownership claims over your users' data

Want the complete tool, customized templates, or help evaluating a vendor?
Visit aitransfromationpro.com or email info@smithhillglobal.com
Developed by Smith Hill Global Consulting, LLC — Ethical AI Starts Here

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👩‍💼 USE WITH EXPERT SUPPORT

Want tailored guidance, risk mitigation, or third-party reviews?

Smith Hill Global Consulting can help you:
1. Design equity-informed procurement processes,
2. Facilitate community feedback and risk audits,
3. Ensure regulatory alignment, 4. Hold vendors accountable through implementation

You don't need to figure it all out alone. This checklist is your flashlight. Let us help you build the whole roadmap.

INTEGRATION & HUMAN IMPACT

ENSURE THE TOOL ACTUALLY FITS YOUR WORKFLOWS AND SUPPORTS YOUR PEOPLE.

✅ **Critical Questions:**
- How does the system integrate with our existing platforms?
- What training is provided for staff, users, or stakeholders?
- How will this change decision-making or service delivery?
- Is there support for different levels of tech literacy or accessibility needs?

🚩 **Red Flags:**
No onboarding plan/ Overestimation of user readiness, no multilingual or accessible options, major workflow disruption, no strategy for inclusion or accessibility, high dependency on proprietary systems

COST & LONG-TERM VALUE

UNDERSTAND BOTH THE UPFRONT AND HIDDEN COSTS AND HOW VALUE IS MEASURED.

✅ **Critical Questions:**
- What is the full cost of ownership over 3-5 years?
- What ROI has been demonstrated? How is it measured?
- What are the contract exit terms if it fails?
- How does pricing scale with growth or user base changes?

🚩 **Red Flags:**
"Low intro pricing" with hidden hikes, no ROI methodology/framework, difficult contract exit, no cost transparency/ surprise costs after Year 1

REGULATORY COMPLIANCE & LIABILITY

REDUCE LEGAL EXPOSURE AND COMPLIANCE RISK BEFORE IT'S YOUR PROBLEM.

✅ **Critical Questions:**
- What industry regulations apply, and how is compliance ensured?
- Who is legally accountable if harm occurs due to this AI system's output?
- Are there audit trails, user logs, or system documentation available?
- Is the vendor insured or indemnified for AI-related harm?

🚩 **Red Flags:**
No clarity on compliance obligations or legal responsibility, no logs or compliance docs, no indemnification, no external audit history

FINAL CHECKS (BEFORE YOU SIGN)

BEFORE FINALIZING ANY AI VENDOR AGREEMENT, ESPECIALLY WITH EARLY-STAGE OR FIRST-TIME VENDORS, CONDUCT THE FOLLOWING:

If the vendor has other clients: Call 1–2 existing clients for candid feedback

If YOU are the first client:
- Request extra documentation (e.g., pilot test plans, co-development terms, roadmap transparency)
- Include milestone-based contract clauses tied to performance or delivery,
- Require internal testing with success criteria before full deployment,

Request sandbox or pilot access: Review IP ownership, indemnification clauses, consent practices, and data rights

Create an internal monitoring & accountability plan: Define who will oversee equity reviews, vendor performance, and mitigation responses

Train users and stakeholders: Don't just onboard. They help teams understand what AI can and can't do and how to flag potential harm