



IBM software On/Off Capacity on Demand for IBM @server zSeries, iSeries, and pSeries

Overview

A key element of IBM's on demand strategy is to enable our IBM @server customers to dynamically change their available server capacity. IBM's server offering, known as On/Off Capacity on Demand (On/Off CoD), allows customers to dynamically increase and decrease server capacity based on changing workload demands. As previously announced, IBM's On/Off CoD hardware offering is available on IBM's latest eServers, including select zSeries®, pSeries™, and iSeries™.

IBM is now announcing software terms and conditions to complement our On/Off CoD server offering. These new software terms and conditions will enable customers to pay for select software products on a daily basis when they activate the On/Off CoD hardware offering for zSeries, pSeries, or iSeries.

Daily On/Off CoD software charges apply only to eligible software products. All eligible On/Off CoD software products are licensed under the International Program License Agreement (IPLA). IPLA generally describes a category of software products with a license fee at the time of purchase and an annual maintenance charge, known as Subscription and Support (S&S). The daily On/Off CoD charges packages both components, license fee, and S&S.

For additional information, refer to the Description section of this announcement.

Key Prerequisites

Activation of the On/Off CoD hardware offering for zSeries, iSeries, or pSeries

At a Glance

IBM now offers select zSeries, iSeries, and pSeries software on a daily price for customers activating IBM's On/Off CoD offerings on their IBM zSeries, iSeries, or pSeries servers.

Planned availability date

September 12, 2003

This announcement is provided for your information only. For additional information, contact your IBM representative.

Description

IBM now offers daily On/Off CoD software charges for use in conjunction with the IBM On/Off CoD server offerings. The On/Off CoD server offering allows you to pay a fee to enable and use temporary server capacity. You now have the ability to pay for selected zSeries, iSeries, and pSeries software on a per-day basis to help you through your peak business periods.

Information pertaining to activation of On/Off CoD servers can be found in the following zSeries, iSeries, and pSeries announcements:

- Product Announcement letter ZG03-0164 dated January 23, 2003, entitled IBM @server iSeries — Versatile, Multi-Environmental Servers for the Era of e-business on demand™
- Product Announcement letter ZG03-0332 dated May 06, 2003, entitled New IBM @server pSeries 650 Enhancements Offer Greater Flexibility with Capacity Upgrade on Demand and Faster Performance Using RIO-2 Adapters
- Product Announcement letter ZG03-0232 dated May 13, 2003, entitled IBM Introduces the IBM @server zSeries 990 Family of Servers

For iSeries and pSeries, daily On/Off CoD software charges are measured in processor-days. IBM established a per-processor-day price for each pSeries and iSeries software product which is eligible for daily On/Off CoD charges. On pSeries and iSeries, per-processor-day charges are applied based on the number of engines (processors) that are activated within the duration of the temporary enablement.

For example, on iSeries and pSeries: If the On/Off CoD server offering is activated on a pSeries or an iSeries server and one temporary engine enabled for one day, the processor-day charge per product is applied for each eligible software product on that particular server. Likewise, if two temporary engines are enabled for one day, the processor-day price per product is multiplied by two engines and applied for each eligible software product on that particular server.

For zSeries, daily On/Off CoD software charges are measured in Management Services Unit (MSU) days. IBM established a per-MSU-day price for each zSeries software product which is eligible for daily On/Off CoD charges. On zSeries, per-MSU-day charges are applied based on the number of engines (processors) that are activated, the size of those engines (processors), and the duration of the temporary enablement.

For example, on zSeries: If the On/Off CoD server offering is activated on a zSeries server and one temporary engine is enabled for one day, the MSU-day charge per product is multiplied times the number of MSUs of that engine and applied for each eligible software product on that particular server. Likewise, if two temporary engines are enabled for one day, the MSU-day price per product is multiplied by the number of MSUs of those engines and applied for each eligible software product on that particular server.

Terms and conditions

To be eligible for On/Off Capacity on Demand pricing, customers must be enabled for temporary capacity on the corresponding hardware, and the required contracts must be signed prior to use.

iSeries and pSeries software

- Daily On/Off CoD software charges apply only to eligible software products as listed in this announcement letter. All eligible On/Off CoD software products are licensed under the International Program License Agreement (IPLA). When On/Off CoD charges are not offered for an one-time charge (OTC) product, standard OTC License charges will apply to the use of On/Off CoD processors. Customers running On/Off CoD processors/capacity must pay for On/Off CoD charges for all software installed on the machine where applicable.
- The customer must have all licensing on the base configuration of the On/Off CoD machine in compliance with their respective license agreements.
- The customer must also agree to keep IBM informed of what IPLA products are running on their hardware machines when On/Off CoD is used, and must utilize license management reporting tools, when available.
- Daily On/Off CoD software charges are directly tied to the number of temporary processors and the duration of the temporary processor use, as indicated by the customer and enabled through the terms of the On/Off CoD hardware offering.
- Daily On/Off CoD software charges are determined on a per-day basis where a day is defined as any period of time up to 24 contiguous hours. Daily On/Off CoD software charges do not participate in any other standard program offerings or licensing arrangements.
- Daily On/Off CoD software charges will be billed quarterly following the use of temporary On/Off CoD hardware capacity. No prepayments or other arrangements are permitted for daily On/Off CoD software charges.

Customers must sign contract Z125-6907, *Amendment or iSeries and pSeries Temporary Capacity On Demand — Software*. For software contract information, visit the Passport Advantage® Reseller Web site at:

<http://www-3.ibm.com/software/howtobuy/passportadvantage/>

Choose “Reseller site”. Once on the site, select “Program Information” and “Reference documents” from the left navigator. Then choose “Worldwide,” your language of preference, and “Capacity on Demand.”

zSeries software

Contracting for zSeries software is contained within the hardware contract Z125-6611, *Attachment for Customer Initiated Upgrade and IBM @server On/Off Capacity on Demand*, which must be signed by the customer to enable On/Off CoD capability.

- Daily On/Off CoD software charges apply only to eligible software products as listed in this announcement letter. All eligible On/Off CoD software products are licensed under the IPLA. When On/Off CoD charges are not offered for an OTC product, standard OTC License charges will apply to the use of On/Off CoD processors. Customers running On/Off CoD processors/capacity must pay for On/Off CoD charges for all software installed on the machine where applicable.
- The customer must have all licensing on the base configuration of the On/Off CoD machine in compliance with their respective license agreements.

- Daily On/Off CoD software charges do not apply to software products with recurring monthly charges which are licensed under the IBM Customer Agreement (ICA).
- The customer must also agree to keep IBM informed of what IPLA products are running on their hardware machines when On/Off CoD is used, and must utilize license management reporting tools, when available.
- Daily On/Off CoD software charges are directly tied to the size of the temporary capacity and the duration of the temporary capacity use, as indicated by the customer and enabled through the terms of the On/Off CoD hardware offering.
- Daily On/Off CoD software charges are determined on a per-day basis where a day is defined as any period of time up to 24 contiguous hours. Daily On/Off CoD software charges do not participate in any other standard program offerings or licensing arrangements.
- Daily On/Off CoD software charges will be billed monthly following the use of temporary On/Off CoD hardware capacity. No prepayments or other arrangements are permitted for daily On/Off CoD software charges.

Trademarks

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