

Value Unit Pricing

Value Unit pricing for eligible z Systems IPLA programs enables a lower cost of incremental growth and enterprise aggregation within a country. Each z Systems IPLA product with Value Unit pricing has a single price per Value Unit and a conversion matrix, called Value Unit Exhibit, for converting from some designated measurement to Value Units. Most commonly Millions of Service Units (MSUs) is the measurement designated by IBM to be converted to Value Units. Some other measurements are engines or messages. Since MSUs are the most common measurement, that measurement will be used for the remainder of this description.

Value Unit pricing offers price benefits for customers. For each z Systems IPLA program with Value Unit pricing, the quantity of that program needed to satisfy applicable IBM terms and conditions is referred to as the 'required license capacity'. Each of the various Value Unit Exhibits stipulate that the larger your required license capacity, the fewer Value Units per MSU you will need. Value Unit Exhibits are uniquely identified by a three digit code and referred to using the nomenclature VUExxx, where xxx is the three digit code.

Subsequent acquisitions of Value Unit priced programs offers additional price benefits for customers. The quantity of each z Systems IPLA program that you have acquired is referred to as 'entitled license capacity'. If you wish to grow your entitled license capacity for a z Systems IPLA program, the calculation to determine additional needed Value Units is based upon the number of Value Units already acquired.

For each z Systems IPLA program with Value Unit Pricing, you should:

- Determine the required license capacity, in MSUs
- Aggregate the MSUs across the enterprise within a country
- Convert the total MSUs to Value Units for that country, using the applicable Value Unit Exhibit, and
- Multiply the price per Value Unit by the total number of Value Units to determine the total cost.

To simplify conversion from the designated measurement to VUs or vice-versa, use the Value Unit Converter Tool. For additional information or to obtain a copy of the Value Unit Converter Tool, visit the [Value Unit Converter Tool Web site](#).

Value Unit Pricing Terms and Conditions

For each z Systems IPLA program with Value Unit pricing, the quantity of that program needed to satisfy applicable IBM terms and conditions is referred to as the 'required license capacity'. Your required license capacity is based upon the following factors:

- the z Systems IPLA program you select
- the applicable Value Unit Exhibit
- whether your current mainframes are eligible for sub-capacity terms
- the applicable sub-capacity terms for that program

Once IPLA OTC license entitlement is purchased for a program it may be cancelled in its entirety, but the entitled license capacity amount cannot be lowered. Even if the required license capacity were to become lower, the entitled license capacity stays at the total of any previously purchased amounts.

z Systems IPLA Categories

The majority of z Systems IPLA programs which are based upon MSUs are grouped into one of three categories: Execution-Based, Reference-Based or z/OS-Based. Those which are not in one of these three categories belong to the default category called 'Full-Machine-Based'. The applicable type of category for each z Systems IPLA program is determined solely by IBM. Only one category will apply per program.

For a listing of the eligible z Systems IPLA programs and their categories, visit the ['IPLA' section of the z Systems Exhibits Website](#).

Full-Capacity Terms

In cases where full-capacity is applicable, the following terms apply:

- Execution-Based, z/OS-Based, Full-Machine-Based: The required license capacity of a z Systems IPLA program with these terms equals the MSU rated capacity of the machine(s) where the z Systems IPLA program executes.

For more information on mainframe MSU rated capacities, see 'The IBM z Systems Machines Exhibit (Z125-3901)' or visit the ['Mainframes' section of the z Systems Exhibits Web site](#)

- Reference-Based: The required license capacity of a z Systems IPLA program with these terms equals the MSU rated capacity of the machine(s) where the applicable [Parent Program](#) executes across the environment. See the ["Additional Information for Products with Reference-Based Terms"](#) section below.

Sub-Capacity Terms

Sub-Capacity pricing is available for eligible IPLA programs only when Sub-Capacity pricing is in effect for that Operating System Family on the same machine. For a description of how to qualify for sub-capacity pricing and a listing of the sub-capacity eligible z Systems IPLA programs and their categories, visit the ['IPLA' section of the z Systems Exhibits Website](#).

In cases where sub-capacity is applicable, the following terms apply:

- Execution-Based: The required license capacity of a z Systems IPLA sub-capacity program with these terms equals the capacity of the LPAR(s) where the z Systems IPLA program executes. Execution-Based programs will appear on the Sub-Capacity Report.
- z/OS-Based: The required license capacity of a z Systems IPLA program with these terms equals the license capacity of z/OS (and z/OS.e) on the machine(s) where the z Systems IPLA program executes. z/OS-Based programs will not appear on the Sub-Capacity Report because z/OS appears there.
- Reference-Based: The required license capacity of a z Systems IPLA program with these terms equals the license capacity of the applicable [Parent Program](#) across the environment. See the ["Additional Information for Products with Reference-Based Terms"](#) section below. Reference-based programs will not appear on the Sub-Capacity Report because the Parent Program appears there.

- Full Machine-Based: The required license capacity of a z Systems IPLA program with full machine-based terms equals the MSU rated capacity of the machine(s) where the z Systems IPLA program executes.

For more information on mainframe MSU rated capacities, see 'The IBM z Systems Machines Exhibit (Z125-3901)' or visit the ['Mainframes' section of the z Systems Exhibits Web site](#)

Additional Information for Products with Reference-Based Terms

z Systems IPLA programs with reference-based terms add value to the [Parent Program](#) across the environment, regardless of where in the environment the z Systems IPLA program itself executes.

An environment is defined as either a single/stand-alone machine or a qualified Parallel Sysplex. Customers may have one or more different environments across their enterprise. To determine the required license capacity for each z Systems IPLA program with reference-based terms, each environment should be assessed separately.

When a z Systems IPLA program with reference-based terms is used in a qualified Parallel Sysplex environment the required license capacity of the z Systems IPLA program must equal the MSU capacity as described above across the Parallel Sysplex. Qualified Parallel Sysplex refers to one:

1. That meets the criteria defined announcement letter 198-001, [Clarification of Parallel Sysplex Pricing Terms \(PDF, 12.7KB\)](#)
2. Where MLC pricing is aggregated across the Sysplex

When there are multiple versions of the Parent Program licensed in the environment, the required license capacity for each sub-capacity eligible Reference-Based program will be based on the total MSU capacity of all the Parent Programs, capped at the z/OS MSU capacity of each machine respectively.

Additional Information for Getting Started Sub-Capacity Pricing Products

Certain z Systems IPLA sub-capacity programs with Execution-based terms are eligible for Getting Started Sub-Capacity Pricing for z/OS IPLA Software (GSSP). If the eligible GSSP product's utilization within an LPAR is less than an announced threshold, then the MSUs included in the SCRT report for that LPAR will be a proportional fraction of the LPAR utilization. If the product's utilization within an LPAR exceeds the threshold, the traditional LPAR utilization will be used.

The utilization comparison to the threshold will be done on an LPAR by LPAR basis. The MSU value on the SCRT report for an eligible Getting Started product on a machine could be a combination of sub-LPAR Getting Started measurements from some LPARs and traditional LPAR utilization measurements from other LPARs.

Subscription & Support Terms

The Subscription & Support (S&S) agreement for z Systems programs requires customers to acquire S&S at the same entitlement level as they own IPLA program entitlement, that is, it must match the entitled

license capacity for the program. For example, if you own 347 Value Units of OTC entitlement, and you wish to have S&S, then you must acquire 347 Value Units of S&S as well. There is no support for "on the shelf" z Systems IPLA software.

IPLA Version Migration Grace Period

The IPLA contract states "If the Program is replaced by a trade-up Program, the replaced Program's license is promptly terminated." This means that theoretically the moment you acquire a new version of a program you lose the right to run the old version. In order to give z Systems customers time to migrate from one version to the next, in August 2004 [IBM announced](#) a version migration "grace period" of 6 months:

If you purchase Subscription & Support for a particular z Systems IPLA program, you are entitled to no-charge version upgrades for that program. If you have Subscription & Support, you may run multiple versions of the z Systems IPLA program during a six-month grace period. The grace period begins when the new z Systems IPLA program is installed in the enterprise. Afterwards, it is expected that you will be migrated to the latest version. If you do not complete your migration within the grace period, IBM reserves the right to recalculate your required license capacity for the z Systems IPLA program by combining the MSUs of the old version and the new version.

It is IBM's intention that customers finish their migrations within 6 months. Continuing to run both the old and new versions of a program on an ongoing basis without a purchase of sufficient additional entitlement is not allowed.

IPLA News

- On 28 April 2009, IBM [announced \(PDF, 89.4KB\)](#) enhancements to 'Getting Started Sub-capacity Pricing for z/OS IPLA software' for customers with low usage on select IBM WebSphere programs.
- On 22 April 2008, IBM [announced \(PDF, 86.1KB\)](#) 'Getting Started Sub-capacity Pricing for z/OS IPLA software' which offers entry pricing for customers with low usage on select IBM WebSphere programs.
- On 10 August 2004, IBM [announced \(PDF, 49.7KB\)](#) sub-capacity pricing for select IBM z Systems IPLA programs which are used in an MLC Sub-Capacity environment.
- On 12 August 2003, IBM [announced \(PDF, 70.1KB\)](#) Value Unit Pricing for select host-based Tivoli programs.
- On 08 April 2003, IBM [announced \(PDF, 49.6KB\)](#) Value Unit Pricing for select host-based WebSphere programs.
- On 27 March 2001, IBM [announced \(PDF, 24.3KB\)](#) Value Unit Pricing for host-based Application Development Tools.
- On 06 March 2001, IBM [announced \(PDF, 38.9KB\)](#) Value Unit Pricing for host-based Data Management Tools.