

# **Business Partner Special Bid Existing Discount Renewal Process Updates**

October 2018



## Business Partner Special Bid Existing Discount Renewals (EDR)

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The BP Existing Discount Renewal process was announced in March 2015. The process announcement outlined that IBM was allowing Business Partners to renew their existing Business Partner Special Bid (BPSB) and Business Partner Hardware Pricer Delegation Authorization (BPHPDA) contracts upon expiration without engaging the full BPSB process. This was implemented in order to enable process simplification and improve the Business Partner's speed to market when negotiating with their End Users. The process has proven to be beneficial since inception, although there have been questions about eligibility that have arisen over time. The intent of this presentation is to provide clarification of EDR criteria as it pertains to the allowance of BPHPDA and "playbook" special bid approvals relative to IBM System Z, as well as other platforms.

EDR may be utilized to renew all special bids that meet the qualifying criteria stated below, regardless of platform or the means in which the original special bid approval was acquired (i.e. BPHPDA, playbook or BPSB TEP). Additionally, needs of the business have in the past required a review and modification to the previous maximum discount level allowance. Effective immediately, the maximum special bid discount allowed to renew under the EDR process will be 40%.

To ensure a smooth transition to the new process criteria for the remainder of 2018, contract renewals having a start date within the 2018 calendar year that do not exceed the previous 50% maximum special bid discount will be considered "in flight". If these renewals are presently being negotiated and are "grandfathered", they will still qualify for renewal under the EDR process, provided the contract is submitted to IBM for registration on or prior to December 31, 2018. There are no exceptions to this allowance. All other qualifying criteria applies. As of January 1, 2019, all contract renewals will be subject to the new EDR qualifying criteria outlined below, regardless of contract start date.

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Effective immediately the new 40% maximum discount criteria will be present in BP Special Bid Authorization letters released via the BPSB TEP process.

In accordance with the Business Partner Existing Discount Renewal (EDR) process, Business Partners may renew their existing Business Partner Special Bid (BPSB) contract using previously approved special bid discounts for renewal purposes, granted the renewal does not contain any of the following exceptions:

1. Increased Special Bid discounting is required.
2. Contracts that include SSD Services or Software Support Service Extensions.
3. Contracts containing End of Service Hardware Maintenance, Enhanced Parts Inventory (parts lockers), Vended Support (MVS) or any other customized offerings/services that required pricing be manually applied to the ISAT offering or is approved with custom terms and conditions that require a Change Authorization (CA) or customized Statement of Work (SOW).
4. Any line item being renewed with a special bid discount greater than 40%.
5. Proposed renewal term is longer term than approved term on original pricing authorization.
6. Contracts that have been expired more than 90 days.

A renewal that contains any of the above listed elements will continue to require submission to the Business Partner Special Bid process to secure special bid discount approvals.

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This criteria is valid for any existing contract in effect on March 1, 2015 and future PRLs released via the Business Partner Operations (BPSOS) team and the Business Partner Hardware Pricer Delegation Authorization (BPHPDA) processes. This approval may also be utilized in instances where the renewal proposal/contract differs from the expiring contract, granted it does not conflict with the exceptions listed above. Approved "differences" are as follows:

Renewal proposal/contract is quoted with a lesser term than the original pricing approval.

1. New content was added to the client's inventory without discounts and discounts not being requested on the new content.
2. Content previously approved with a discount greater than 40% has been removed from the inventory, as well as other inventory removals.
3. Content which originally received discounts greater than 40% is being requested to renew with a reduced discount (less than 40%) may utilize EDR, but will require manual interaction and engagement of the BPSOS team.

IBM reserves the right to modify or withdraw this process enhancement at any time.

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Business Partner Special Bids (BPSB) approvals released after March 1, 2015 have included a BP Special Bid Authorization Letter that outlines the details of the approved discounts and the eligibility of future renewals of this content based upon the approved inventory and criteria. If subsequent renewals of this contract meet renewal criteria, you will have the authorization to request that SB discounts be allowed to auto-renew.

The BP Special Bid Authorization Letter has been updated effective October 12, 2018 to reflect the updated renewal criteria. Additionally, the Business Partner Special Bid Renewal Authorization letter has been updated. This version will be required for all contract registration packages submitted where EDR was utilized for discounting as outlined in the transition plan to the new criteria outlined on page 3 of this presentation. Contracts that remain eligible with prior criteria may still utilize the original BP Special Bid Authorization Letter.

## Determining EDR Eligibility

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- Review your expiring contract and determine if it has any of the exceptions listed in the BP Special Bid Contract Renewal Authorization that would exclude it from being eligible to have discounts auto-renewed. Your BP Focal can help you determine the current discounts to determine if it meets criteria. If it's not eligible you'll need to submit that request through the BPSB process for discounting consideration, business as usual.
- If eligible to have discounts auto-renewed, these expiring contracts may have expiration dates applied to the special bid discounts that will need to be removed prior to creating the renewal proposal if the expiring contract was discounted prior to March 2015. **THIS IS A MUST BEFORE THE "CREATE RENEWAL" FUNCTION IS USED IN ISAT.** This will be accomplished by submitting a WRT request to the Services Transaction Support (STS) team via Contracts OnLine.
- BPs may also submit their request to the BPSOS team via the Contracts OnLine EDR (Existing Discount Renewal) Review transaction type and include the expiring contract number as well as your renewal proposal for review to ensure the discounts have carried over or to review EDR eligibility.

## Renewing eligible contracts

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- After special bid discounts have been set to renew by STS, select “Create Renewal” in ISAT and previously applied discounts will pull into the renewal proposal. BP should engage their BP Focal if there are questions as to whether ISAT discounts were pulled in on the renewal quote, etc.
- Upon client acceptance, BP must submit renewal proposal for registration via the Special Bid Registration COL organization (Dist or SP depending on relationship) and include the locked PDF version of the BP Special Bid Contract Renewal Authorization document and provide STS with the expiring contract number in the COL comments section.
- Alternatively, BP may allow expiring contract to auto-renew as-is, however, auto-renew must be set to Y. This can be achieved via a WRT request selecting Request Type= Auto-Renew Status Update. The PO must be submitted to STS prior to the expiring contract’s term end date.