



AUTHORIZATION TO REMARKET
IBM HARDWARE MAINTENANCE &
IBM SOFTWARE MAINTENANCE

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Common Questions & Answers

Section 1 – General Program Questions and Sweeps

Q1.1 Why does IBM have Qualified IBM Hardware (QIH) Guidelines?

A1.1 The QIH guidelines were created to allow the Business Partner that has sold qualifying IBM hardware to the client to have the ability to sell the hardware and software maintenance contract. Partners who have invested their time and made themselves familiar with the client's IT infrastructure environment are provided the right to sell hardware and software maintenance support on those products and in the client establishment. This policy also protects the sales investments of the Business Partners who have the certifications and skills in sales people to sell a single IBM solution as well as built and maintained a relationship with the client. Lastly, this protects the maintenance margins and helps prevent maintenance from becoming a commodity business.

Q1.2 The client has requested the Business Partner also include on the Maintenance Agreement other hardware in the same customer establishment that the Business Partner did not sell. The hardware is QIH qualifying, but sold by another Partner. Is the Business Partner authorized to sell to IBM HWMA on the other hardware?

A1.2 Yes, provided the Partner has sold and installed hardware that meets the requirement for QIH and is in productive use in that specific client establishment.

Q1.3 What is the impact to Qualified IBM Hardware the Business Partner previously sold which established QIH when IBM withdraws that hardware from marketing?

A1.3 There is no impact to the Qualified IBM Hardware sold prior to the withdraw date. Business Partners may continue to use these sales as the basis to sell IBM maintenance on other products that they may not have sold within the customer establishment, provided the specific system/machine is still active and in productive use. Business Partners must retain all records to validate the system/machine was new at the time of sale.

Q1.4 If a Business Partner sells an MES on the Server and the Server has been withdrawn from marketing, can they still use the MES (for i/p/z) as the basis for a QIH footprint?

A1.4 Yes, as long as the MES part # hasn't been withdrawn from marketing and is purchased new (excluding Storage which cannot use MES for a QIH footprint).

Q1.5 What are the guidelines for utilizing a sweep?

A1.5 A sweep authorization includes maintenance or services on uncovered systems or machines that may not be approved on the Business Partner Profile, and accommodates customer requests to place all machines in an establishment on a single maintenance or services agreement. Uncovered systems or machines are defined as those that are not currently under warranty or covered by a Maintenance Agreement. Sweep applies to new transactions or renewals of IBM HWMA or IBM SWMA.

There are two types of sweeps. Customer Establishment Sweep which is limited to equipment at a specific street address, city and state where qualified hardware has been sold, installed and is in productive use. Enterprise Sweep is only allowed by a partner who is an approved TSS Specialty or

Expert Sales Leader in the current year. A partner with this designation must have a QIH footprint in at least 50% of all the customer's locations (i.e. 2 out of 4, or 3 out of 5) where QIH footprints are installed. This would then allow the partner to bid on all locations in that customer's enterprise.

Q1.6 When does having QIH qualify a Partner for a sweep?

A1.6 In order for Business Partner sales of Qualified IBM Hardware to serve as the basis for a contract sweep, the install date in IBM records must be at least **three months prior** to the Maintenance Agreement start date. This applies to Qualified IBM Hardware installed by IBM (IBI) or classified as customer set up (CSU).

Q1.7 Partner A has established QIH and now Partner B sells a new qualified footprint in that same customer establishment. The footprint was installed in IBM records on January 1, 2017. Will Partner B be eligible to participate in the customer's services contract renewal coming up on May 1, 2017 using their sweep authorization?

A1.7 Yes, since the second Business Partner's sale of Qualified IBM Hardware (QIH) was installed in IBM records at least **three months prior** to the new Maintenance Agreement start date, it meets the requirement for a sweep.

Q1.8 If a Business Partners sells an MES, can they sell maintenance on the machine immediately when the MES installs?

A1.8 Yes, there are no requirements for waiting for MES installs in order to start the maintenance contract as they can begin immediately.

Q1.9 What if the Business Partner that currently holds the Maintenance Agreement goes out of business, gets out of selling IBM hardware and withdraws their Solution Provider agreement, or is merged or bought out?

A1.9 Under the terms of the Master Services Attachment (MSA), in the event that an end user client has contracted through an IBM Business Partner that is no longer able to offer IBM Services **for any reason**, the end user client has the right to select the replacement IBM Business Partner of their choice with the following provisions:

1) The proposed replacement IBM Business Partner currently has accepted product certification(s), as applicable, in the PartnerWorld Profiling System (PPS); and

2) The proposed replacement IBM Business Partner is eligible to remarket IBM Services

No QIH Exception is needed for the above situation. Business Partners that held the previously agreements must show as inactive on the IBM PPS if audited by Compliance.

Q1.10 What are the guidelines for selling Maintenance on non IBM/OEM equipment?

A1.10 If there is no IBM equipment on the contract, there are no qualified hardware guidelines for selling OEM maintenance on a Service Suite contract.

Q1.11 What if a Business Partner suspects that another Business Partner is quoting or has sold Hardware Maintenance in an account where they have not established a Qualified IBM Hardware footprint after reviewing a Clear view report of the client's inventory?

- A1.11 IBM Business Partners should immediately engage IBM who can review the situation and potentially have offending partner(s) withdraw their bid, deny registration of contract or impose a fine.

For Pre-Sales Issues: Contact the TSS Channel QIH Program Manager (Kari Haeska) @ khaeska@us.ibm.com with details of alleged QIH compliance violation with details of client, inventory, and dates. A review and verification of QIH will be done. Any partner found to be out of compliance with IBM's QIH Guidelines will be asked to withdraw their bid. IBM will not register any signed contract that is known to be in QIH violation.

For Post-Sales Issues: Contact IBM by sending an email to tellibm@us.ibm.com. Ensure all information is included when submitting email. Documentation should include (but not limited to) product information such as specific machine/serial numbers, Client name and address, Partner name and critical dates. A review of the transaction will be done to verify QIH. Partners found out of compliance will be subject to a fine. The contract will be allowed to run through end date, but the Partner will not be allowed to renew without first establishing QIH.

Section 2 – IBM Power Systems

- Q2.1 If a Partner sold the original QIH Power box and the maintenance contract, but now is no longer certified to sell Power but are a Solution Provider for other IBM products, can they still quote the maintenance renewal on those original power boxes they installed?**

- A2.1 Yes, as long as that Reseller has still remained with an active Solution Provider agreement in PPS they can go after the maintenance renewal. They cannot sweep additional boxes into that renewal though unless they go back and sell an additional footprint(s) that meets QIH guidelines.

Section 3 – IBM System z

- Q3.1 Business Partner A previously sold a System z. Their customer's ServiceElite Agreement will expire within several months. However, the customer now wants to work with Business Partner B, and they ordered a Qualified MES model/processor upgrade from them for the System z server. Did Business Partner A lose their qualified hardware footprint and authorization to sell IBM HWMA and SWMA due to that MES processor upgrade?**

- A3.1 Business Partner A doesn't lose their footprint in the customer establishment provided (1) there was no Serial Number change to the Qualified System z resulting from the MES model/processor upgrade, and (2) the system Business Partner A sold the system, remains in productive use and is utilized in the customer establishment.

- Q3.2 Can a Business Partner that is not profiled for selling zSeries Hardware sell ZSeries HWMA?**

- A3.2 Yes, if a Business Partner has installed any Qualified Hardware Server into the customer establishment where the ZSeries is installed (i/p/Enterprise/S3 Storage), then they are able to quote and/or sweep the HWMA on the Zseries server even though they didn't sell them the ZSeries.

Section 4 – IBM System Storage

Q4.1 What are the requirements to sell IBM maintenance on System Storage?

A4.1 Storage is categorized in three categories in Partner World – S1/S2/S3: S3 is eligible to count as QIH. You can review the Storage categories and M/T's at this link at the bottom of the page for eligibility: [IBM Systems Certification Requirements Page](#)

Q4.2 When does Flash systems Storage Count for Qualified IBM Hardware?

A4.2 IBM FlashSystem hardware in the S1 Storage Category can be utilized as QIH if the customer price for the FlashSystem hardware is \$100K or above. In the event of a post sales compliance audit, Business Partners must provide a customer invoice for the \$100K or above Flash System hardware transaction for the specific end user address where the QIH footprint is being established.

Q4.3 Would a MES upgrade to a QIH defined Enterprise System Storage in the S3 category of machines qualify as a QIH presence within a customer establishment for sweep?

A4.3 No, MES/upgrades for IBM Enterprise System Storage machines are not eligible for Business Partners to use for presence or sweep.

Section 5 – Selling Competing Maintenance on IBM Products

Q5.1 What is IBM's position on a Business Partner selling competing maintenance on IBM products?

A5.1 In the event that IBM verifies that an IBM Business Partner is offering competing maintenance, or working collaboratively with a Third Party Maintainer (TPM), IBM reserves the right to revoke that Partner's QIH in that customer's establishment. Additionally, IBM reserves the right to review and approve other authorized IBM Business Partner's requests for exceptions to the requirement for Qualified Hardware/QIH to sell maintenance. These exceptions allow other authorized Business Partners to sell to existing and future IBM service opportunities in any enterprise managed by the Business Partner who has proposed competing maintenance. This ensures an IBM solution is presented and customers are offered service continuity. Partners working with a TPM will not be granted any Special Bid pricing or retro start/processing requests on any portion of inventory remaining on IBM maintenance.

Q5.2 When these situations are encountered, how should they be escalated to IBM?

A5.2 If it is determined that a Business Partner is offering competing maintenance on IBM products, information should be documented and forwarded to the Business Partner Distributor and the IBM Technical Support Channel Sales Representative or Region Sales Executives for their review and action.

Section 6 – Maintenance on Uncovered Systems or Renewals

Q6.1 What are the guidelines for pursuing maintenance on uncovered systems / machines?

A6.1 Below are the conditions in which IBM Business Partners may compete for IBM HWMA or IBM SWMA. Uncovered systems / machines are defined as not under warranty or covered by an IBM Maintenance Agreement. Only one of these conditions need to apply.

- **HWMA or SWMA;** Business Partners may compete without established QIH if the machine(s) have been uncovered for 90 days or more following warranty exit or previous maintenance agreement expiration
- **SWMA;** Business Partners may compete without established QIH if 60% or more of the systems in a customer establishment have expired or no IBM Software Support Services or SWMA.

All After License Fees (ALF) and/or Re-Establishment Fees will apply – See the QIH Guidelines for details regarding the possibility for fee waivers.

Business Partners are required to obtain IBM HWMA data from the client or request an inventory report through IBM COL clearview report process in order to substantiate they have met all expiration requirements. Data must be maintained by Business Partners in spreadsheet format, and be made available for IBM's review in the event of an audit.

Q6.2 Can a Business Partner use the sale of HWMA or SWMA on uncovered systems at the account as their IBM Qualified Hardware footprint presence and begin to sweep other hardware as it begins to come off of warranty or other maintenance agreements?

A6.2 No, the selling of a Maintenance Agreement has no basis for establishing a QIH presence so the Partner cannot do a sweep within the customer establishment. Only the sale of Qualified IBM Hardware can establish QIH.

Q6.3 What if the client indicates they no longer wish to do business with Partner A and that partner is the only partner with QIH, can Partner B bid on the inventory?

A6.3 No, IBM will not cause undue financial harm to another Business Partner without their knowledge. The incumbent Business Partner is protected for their renewal unless the equipment has expired HWMA for 90 days or longer. NOTE: Re-Establishment Fees and After License Fees will apply. In the event that the customer has no other partners with QIH, they have the option to come to IBM direct for a minimum period of 1 year until a new Business Partner of their choosing has established QIH. There are no exceptions to these guidelines.

Q6.4 A Business Partner discovered that their customer's IBM SWMA has been expired for more than six months, and After License Fees (ALFs) have been imposed. Can these fees be waived to alleviate a customer satisfaction issue?

A6.4 ALFs will apply where already assessed, as these fees are necessary to bring the software to the current revision level. A fee waiver request can be made, but the Services organization is unable to waive ALF's, those fees are owned by the IBM Systems hardware brand and they make the waiver decision.

Q6.5 If a Business Partner is successful in executing a new transaction with the customer on previously expired IBM Software Support Services or SWMA, will they be permitted to quote these services in a subsequent renewal term?

A6.5 Yes, provided the qualified system used by the incumbent Business Partner is still in productive use and being utilized in the customer establishment.

Q6.6 Does selling IBM Enhanced Software Services – i.e. CTS, Account Advocate, Linux Support Services, require having established QIH in that customer establishment first?

A6.6 No, the majority of enhanced software services offerings do not require Business Partners to place a qualified hardware footprint – only SWMA and SW Excel requires qualified hardware placements prior to selling a Services contract – check the IBM Services Offering Table z125-5505 for offering QIH requirements

Section 7 – Maintenance on Used Equipment

Q7.1 Will used systems available from IBM Global Financing (IGF) meet the definition of QIH for a Business Partner to establish QIH for a Maintenance Agreement or a sweep?

A7.1 No, the definition of Qualified IBM Hardware excludes used servers and MES model/processor upgrades acquired from IGF. IBM Business Partners cannot use a used server or MES model/processor upgrades to establish QIH in the customer establishment for a Maintenance Agreement or to sweep.