

# 33%

Average Discount

19% Enterprise Products

-4% Additional Online

39% Additional Products

- Discounts for XXX Additional Perpetual Products are seemingly further discounted, however this is due to full License + SA SKUs quoted, potentially being a Subscription (see below). Aligning similar SKUs would re-align discount to @ 22% average.
- Additional Online SKU discount may benefit from negotiation
- There may be an economy of scale for Additional Online SKUs, consider if there is a further requirement and/or where volume may influence pricing

# 2 Yrs

Agreement Term

Driven by XXX to align with merger activities. Advantageous to MSFT as pricing for Online Services can be reviewed/realigned 1 year earlier

- Consider the potential cost increases at End Of Term for heavily discounted products
- Consider ability to deploy extra functionality from M365/E5 SKUS within the time period
- Note "Sticky" SKUs such as M365 and E5 OS, where if deployed would be difficult to revoke, should prices increase after term

## XXX Services USA

- Discount is COMPETITIVE and CONSISTENT for most products
- There may be scope for further negotiation re additional Online SKUs however lack of discount for Online SKUs is consistent with current market

## Highlights and Comparison

**Average Discount 21%**

Enterprise Products 23%

Additional Products 21%

**63% Average Discount**

23% Enterprise Products

75% Additional Products

## XXX US LLC

- Discount is HIGH for License + SA SKUs
- XXX Renewal Summary states EA however SKUs/Cost indicate could be EAS
- Could be due to Buyout + SA factored across the term rather than EAS
- Double check agreement and any additional terms

## M365 Options

Note the removal of SKUs from M365 Quotations for XXX US LLC as follows

SfBSvr ALNG LicSAPk MVL	5HU-00215	16	\$	26,121.60
SharePointSvr ALNG LicSAPk MVL	H04-00232	103	\$	313,490.80

This is based on the following (Microsoft Product Terms May 2020):

### 2.2.1 Office Servers

Each Licensed User assigned a Microsoft 365 E3/E5 User SL may:

- install any number of copies of the following server software on any Server dedicated to Customer's use: Exchange Server, SharePoint Server, and Skype for Business Server; and
- access to the above server software is exclusive to those users assigned a Microsoft 365 E3/E5 User SL or External Users.

Ensure this restriction is suitable, especially when considering any potential/future use of servers licensed under M365 by non M365 users, ie those from other group companies/entities

## O365 Step Up Option

Comparative base cost/User 1yr for OS+Office+CALS via different quoted SKU routes as follows

**CALS + Step Ups \$198 VS M365 \$216**

Note: M365 SKU gives additional benefits is PER USER OS and On Premise Server Rights for Sfb and Sharepoint

## XXX US Additional Demands

Pricing for M365 indicates potential for future purchase. Note there could be a decreased ROI if purchasing this outside of agreement as there would be a duplication of entitlements between M365 Subscriptions and Enterprise User/Device Enrolments, ie Windows 10.

Note that Office 365F1 / Microsoft 365 F1 terms of use were amended in 2019 to be more restrictive as to where/how they can be used. Ensure this is understood compared to previous terms which were not restrictive: "A Dedicated Device is a computing device used for work with a 10.1" screen or larger, used by the user more than 60% of the user's total work time during any 90-day period"

Note that current O365 F1 and M365 F1 Plans are to be rebranded as F3 (announced Mar20). This is due to a new M365 F1 SKU being released, with different cut down entitlements when compared to the previous F1 SKU. The SKUs and Entitlements should be validated to ensure the required plans are quoted correctly for future.

## XXX US Enrolment Demands

There is a 7% reduction in overall USER count for Enterprise Enrolments, however the following SKU remains static. This should be verified, noting that Identity Manager External Connectors are also owned.

IdentityMgrCAL ALNG LicSAPk MVL UsrCAL	NK7-00065	55,141	55,163
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External Connector licenses such as those for Windows Server (increased 200%) and Identity Manager are often a common cause of discrepancy in the way they are understood and applied. It would be pertinent to validate and document these deployments for posterity.

## XXX Subsidiary Demands

There is no change between current and required quantities which could feasibly be due to

- Accurate Year 3 True Up
- No change to the state/deployment

Should the above not be the case these figures should be reviewed, especially if quantities have remained static for the duration of the previous Enrolment (3yrs), ie no changes at True Up.

There is a significant delta between the following SKUs which are often related

SysCtrStdCore ALNG LicSAPk MVL 2Lic CoreLic	9EN-00494	6
WinSvrSTDCore ALNG LicSAPk MVL 2Lic CoreLic	9EM-00562	470

This should be verified as the delta is noticeable however this could be legitimate ie

- There are server instances not managed by SC
- The servers are not deployed
- There is pre-existing entitlements outside of EA

(Note the CISSteDCCore SKU contains Systems Center for that SrvDC deployment)

Considering CALS, there is potential for issue with the following;

Product Description	Part No	AS-IS Qty	New Qty
O365E3FromSA ShrdSvr ALNG SubsVL MVL PerUsr	AAA-10758	435	435
CoreCALBridgeO365FromSA ALNG SubsVL MVL Pltfrm PerUsr	AAA-12417	435	435
WinE3FromSA ALNG SubsVL MVL Pltfrm PerUsr	AAA-10777	435	435
SQLCAL ALNG LicSAPk MVL DvcCAL	359-00765	435	435

Having the same quantity of USER CALS as DEVICE CALS could indicate a 1:1 relationship between Personnel and Computers which in many scenarios is not the case. This should be validated to ensure SQL data is only being leveraged from 435 devices, considering multiplexing.