

Enkitec Oracle License Consulting

A Guide on Licensing Oracle Technology Products



General Terminology

License

- Right to use, Perpetual or Term

Direct and Indirect License Types

- Full Use (FU) – Unrestricted
- Restricted or Limited Use – Some unique restriction in order doc (ex. App-specific, Dev/Test only)

ISV Partner License Types

- Application Specific (ASFU)- Restricted to a given application, primarily sold thru Partners
- Embedded (ESL) – More restrictive than ASFU, OEM Partners



General Terminology

OLSA

- Defines Terms of Use and Product/Metric Definitions
- Referenced in every order doc
- Older SLSAs being moved to new OLSA

Customer Support Identifier (CSI)

- Identifies a set of licenses under a Support/Maintenance Agreement
- Can be consolidated and co-termed for renewal purposes
- Renewed annually in advance
- IRR – Inflation Rate Ramp applied each year



Contracts:

A software license agreement is a contract between a software company and the user of that software. The software license grants the user specific rights to use the software in particular ways.

OLSA – The overarching license rights are described in the Oracle License and Services Agreement (OLSA), and the rights regarding specific products and services are described in the Ordering Document. Specifically, the OLSA is the agreement that details the standard rights granted, ownership, restrictions, warranties, disclaimers, confidentiality, etc., as it relates to all Oracle products and services

Ordering Document - Ordering Document describes the specific products, types of licenses, number of users, level of support, and discounts (if any), a customer has ordered and will receive. When you sign or otherwise accept your Ordering Document, you are indicating your acceptance of the license terms in the OLSA as well as the Ordering Document.

Support

- 22% of Net License Fees
- Allows for Product Upgrades, Bug Fixes, Patches
- Allows for Phone and Web support
- Every License Order is assigned a Customer Support Identifier (CSI) at booking
- CSI's are used to identify product set when logging Service Request via phone or Metalink



Technology License Metrics:

License Metrics

License metrics are selected carefully to reflect the functionality the product offers and the value the customer receives from utilizing that functionality. Essentially, a license metric determines how the software usage is being measured when Oracle licenses a product to a customer.

Common Oracle Technology Metrics

- **Processor ***
- **Named User Plus ***
- Computer
- Employee / Non-employee
- Developer

*(Primary License types for technology products, Processor, Named User Plus)

Product Minimums

Minimums are used in conjunction with license metrics and refer to the minimum number of licenses a customer is required to purchase when licensing Oracle products. Oracle often uses license minimums to establish base values for our products, so minimums vary by product and license metric.



Metric High-Level Definitions:

Processor - CPU

- Based on the number of cores in the server
- Cores are calculated by platform deployed (RISC, INTEL, AMD)
- Allows for unlimited number of users
- Required for anonymous or uncountable user populations
- Best for production platforms or large user populations
- Generally easier to manage compliance

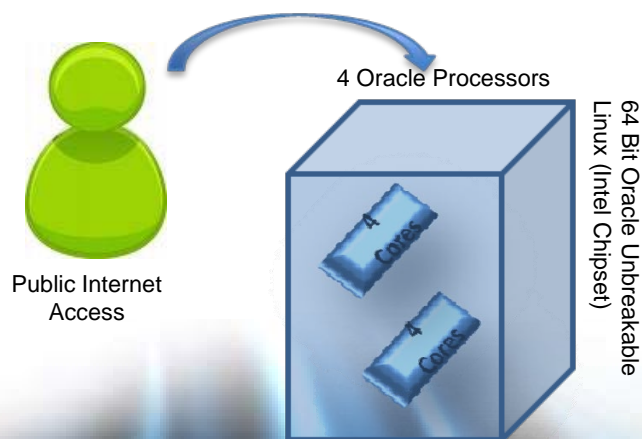
Named User Plus - NUP

- Based on the number of individual users accessing the system
- The individual users are counted at the front end of the application
- Human and non-human devices are counted (i.e. temperature monitoring device)
- NOT based connections to the DB, or concurrent users)
- Best for small user populations and non-Production platforms
- “Named User Minimums” apply based on product (i.e. 25 NUP minimum per Core for DB EE)



Processor Core Calculations:

Processor Core Factor	Vendor and Chipset
0.25	Sun and Fujitsu UltraSPARC T1 processor (1.0 or 1.2 GHz), Sun Fire T1000 Server, SPARC Enterprise T1000 Server*, with 6 or 8-core, 1.0 GHz UltraSPARC T1 processor, Sun Fire T2000 Server, SPARC Enterprise T2000 Server*, with 4, 6, or 8- core 1.0 GHz, or 8 core 1.2 GHz UltraSPARC T1 processor
0.5	Sun Fire T2000 Server and SPARC Enterprise T2000 Server*, with 8-core, 1.4 GHz UltraSPARC T1 processor, Sun T6300, 1.4 GHz UltraSPARC T1 processor, AMD Third Generation Opteron or earlier Multicore chips, Intel Xeon Series 74XX, Series 55XX or earlier Multicore chips, Intel Itanium Series 91XX or earlier Multicore chips, Intel or AMD Desktop, Laptop/Notebook, or Netbook Multicore chips.
0.75	Sun and Fujitsu SPARC64 VI, VII, Sun UltraSPARC IV, IV+, or earlier Multicore chips, Sun UltraSPARC T2, T2+, HP PA-RISC, IBM Power5+ or earlier Multicore chips
1	All Single Core Chips, IBM Power6, IBM System z (z10 and earlier), All Other Multicore chips.



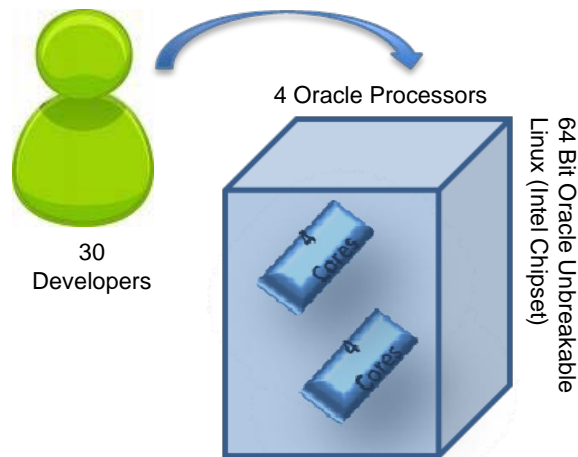
Uncountable/Large User Population Example: Dell server with Intel based Chipset. 1 Server with 2 quad core processors.

For purposes of calculating Processor Metric:

1 server x 2 Processors x 4 cores per processor x .5 Processor Core Factor = 4 Oracle Processors



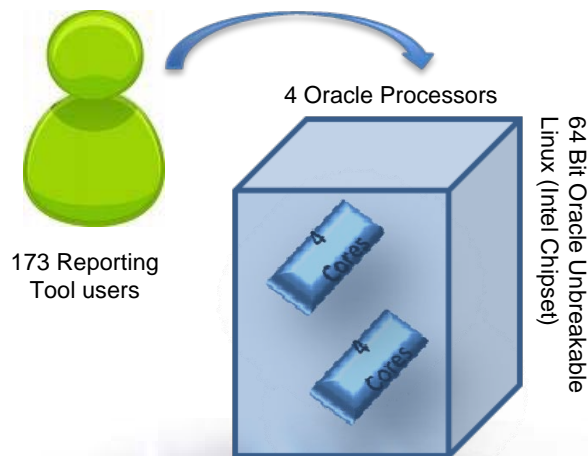
Named User Plus Examples:



Development Server Example: Dell server with Intel based Chipset. 1 Server with 2 quad core processors.

For purposes of calculating Named User Plus Minimums:
1 server x 2 Processors x 4 cores per processor x .5 Processor Core Factor = 4 Oracle Processors x 25 NUP = **100 Oracle NUP**

Database Enterprise Edition: DBEE requires 25 NUP per CPU minimum.



Data Warehouse / Small User Population Server Example: Dell server with Intel based Chipset. 1 Server with 2 quad core processors.

For purposes of calculating Named User Plus Minimums:
1 server x 2 Processors x 4 cores per processor x .5 Processor Core Factor = 4 Oracle Processors x 25 NUP = **100 Oracle NUP**

Simply license the actual user population of 173 NUP's

Database Enterprise Edition: DBEE requires 25 NUP per CPU minimum.



What is a License Migration?

Allows existing licenses to convert to:

- Current license metrics
- Latest software programs and functionality

Results in new agreement

- Old licenses are terminated

May require additional license and support fees

- Migration (NU to NUP) vs Upgrade (SE to EE)
- Changes in List Price
- Additional functionality will result in new license fees

Why Migrate?

- Easier to Manage Compliancy, Renewals, etc
- Allows access to new Functionality and Bundles



Migration/Upgrade Methodologies

Methodologies for license migrations and upgrades

- Ratio-Based
- List/List
- Net/Net or Net Fees Paid (rare, nonstandard)

Ratio-Based Migrations

- Convert old license metrics to current license metrics
- Ratios establish fixed relationships between old & current metrics
- No new license fees for migrated licenses
- Approved ratios mitigate price list changes
- Example: 100 Named User of Database EE migrates to 2 Processor of Database EE based on a 50:1 ratio



Migration/Upgrade Methodologies (contd)

List-to-List Migrations and Upgrades

- Used in License Upgrade situations
- E.g., Named User Plus >> Processor, or Database SE >> Database EE
- List license credit new configuration
- Calculation
- List price of new configuration less list credit for licenses being migrated less discount = New Net License Fees
- If incremental license fees are due, incremental support fees are also due

Like-for-Like Migrations and Upgrades

- Primarily for Oracle Applications products
- Migrations used for Acquired products
- Modules are mapped to Oracle Products



Renewals and Support

Every License Order is assigned a CSI at booking

- Can be consolidated in Master CSI, co-renewed, etc.
- 22% of Net License Fees
- IRR defined every June and posted on Oracle sites

Rules/Restrictions on Support Terminations

- Posted on website
- Tied to “License Set” defined at either at an order document level or at a shared source program product level
- Dropping Support can trigger re-pricing of remaining Support for a given License Set



Applications Support

Oracle offers 3 levels of support to it's customers. The support levels are based on the products supported, and the original release date (General Availability, GA) of the product. The three levels are:

- Premier – 0-5 years from GA Date.
- Extended Support – 3 years past Premier
- Sustaining Support – available after Extended Support period expires.



Applications Premier Support

Premier Support

Premier Support provides you with maintenance and support of your Oracle Database, Oracle Fusion Middleware, and Oracle Applications for five years from their general availability date.

You benefit from:

- Major product and technology releases
- Technical support
- Updates, fixes, security alerts, data fixes, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with most new third-party products/versions
- Certification with most new Oracle products



Applications Extended Support

Extended Support

Extended Support, it provides you with an extra three years of support for specific Oracle releases for an additional fee.

You benefit from:

- Major product and technology releases
- Technical support
- Updates, fixes, security alerts, data fixes, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with most existing third-party products/versions
- Certification with most existing Oracle products

Extended Support may not include certification with some new third-party products/versions.



Applications Sustaining Support

Sustaining Support

With Sustaining Support, you receive technical support, including access to our online support tools, knowledge bases, and technical support experts.

You benefit from:

- Major product and technology releases
- Technical support
- Access to *OracleMetaLink*, *My Oracle Support*, *POINT Support Portal*, *AVT Support Portal*,
- Global Support Portal System, Relsys Customer Support Portal
- Fixes, updates, and critical patch updates created during the Premier Support stage
- Upgrade scripts created during the Premier Support stage



Applications Sustaining Support (NOT INCLUDED)

Sustaining Support does NOT include

- New updates, fixes, security alerts, data fixes, and critical patch updates
- New tax, legal, and regulatory updates
- New upgrade scripts
- Certification with new third-party products/versions
- Certification with new Oracle products



Extended Support Pricing

First Year Extended Support:

For the first year of the Extended Support period, year 6 in the life of the product, the additional fee will be calculated as 10% of the your current annual support fee. For example, if your annual support fee is \$100, the fee for Extended Support would be \$10 and your total fee for support would be \$110 (\$100 + \$10).

Years 2 and 3 of Extended Support:

For years two and three, years 7 and 8 in the life of the product, the additional fee will be calculated as 20% of the your current annual support fee. For example, if your annual support fee is \$100, the fee for Extended Support would be \$20 and your total fee for support would be \$120 (\$100 + \$20). When you move into the Sustaining Support period, your annual support fee would continue to be the base fee of \$100.



Oracle Strategic Unlimited Agreements: ULA

What is a Unlimited License Agreement (ULA)

- A licence contract that grants the right to deploy an unlimited quantity defined set of products (Database, RAC, etc.) over a multi-year period (i.e. Three year site license)
- Can be a “Capped” deployment (i.e. Not-to exceed X Processors) or a combination of Capped and Uncapped line items

When to consider a ULA

- Business is in a growth and/or expansion mode
- Oracle usage can be anticipated as a part of growth projections (new projects, deployments, business lines, product offerings)
- Business growth results in frustration with licensing or incremental software support stream – the uncertainty over software cost (Concerns over Sun and Oracle usage increase)
- Realizing the need to evaluate a major shift in technology across enterprise or resolving specific or unforeseen enterprise-wide issues – Disaster Recovery, Protected Enterprise, Adhering to regulatory mandates such as SOX, etc..



Oracle Strategic Unlimited Agreements: ULA

Why is a ULA Beneficial

- No additional license or support true-up exercised during the 3 year term or at 3 year certification
- Simplified software evaluations by reducing the costly RFI Scorecard process
- Easy-to-manage license footprint with low internal license management costs
- Unlimited deployment of the listed Oracle products (no need to anticipate expanding software requirements)
- Fixed and predictable spend with Oracle
- Protection against growing licensing and support stream because of new projects, third-party applications deployment, internal development, etc.
- No cost increase because of possible future shift of technology (i.e. moving from dual core processors to quad core processors)
- Reduced complexity and lower infrastructure costs, simplifying software platforms
- No incremental cost to resolve enterprise issues like disaster recovery, secondary data centers or multi-core processors or security requirements

