Software Asset Management (SAM) Statement of Work (SOW) – SAM Infrastructure Optimization

(For use with the Microsoft SAM Services Incentives Program)

1. Description

The Infrastructure Optimization Engagement is designed to provide the customer with an end-to-end analysis and mapping of their entire IT environment, taking into consideration current deployment, usage, processes, and licensing data. The analysis will be the basis for the evaluation of the customer's overall infrastructure in relation to their on-premises and Cloud-strategy, helping the customer optimize their current application and server workloads while providing insights on the business, licensing and technology benefits to moving additional workloads to the Cloud. The analysis will also lead to the ability to provide recommendations to optimize SAM policies and procedures to facilitate their digital transformation strategy and implementation.

To establish these recommendations, the SAM partner will perform a full environmental (both physical and virtual) discovery, gathered through third-party tools, along with customer interviews, and other relevant sources. With this data, the partner will provide an infrastructure review and optimization analysis, and recommendations to the customer on how to get the most value from their IT investments.

Use of Intelligent Asset Manager (I-AM) is required in this SAM Infrastructure Optimization engagement to receive Channel Incentives. All work contemplated under this Statement of Work (SOW) will be provided in accordance with the I-AM Terms of Use ("TOUs"), available here.

In this SAM Value engagement, the ELP is optional. Components for the ELP are broken out separately in each section. The choice of including the ELP in this engagement belongs to the SAM engagement manager in discussions with the customer and the partner. Principally, the SAM Value engagement isn't an exercise to determine a licensing gap, but rather a way to identify specific opportunities to improve the customer's assets, management value, and business objectives. The ELP, as a customer-facing document, has great value to clearly articulate to the customer their current standing on entitlements compared to deployment and is often requested by the customer as the outcome of the engagement.

2. Inputs

The partner will collect the following inputs from the customer's estate:

1. Full and confirmed list of affiliates
2. A complete inventory of IT infrastructure, including on-premises, Cloud and outsourced installations, server, desktop and/or application virtualization for all locations and/or divisions
3. A complete inventory of relevant performance data and utilization such as CPU, network, RAM, disk and storage
4. Deployment inventory data coverage of no less than 90% from at least one (1) automated discovery tool for each customer location where Microsoft products are installed (see Data collection requirements)

5. Current IT infrastructure and organization diagrams that include locations, IT group names, SAM tool(s) or supporting processes in place and stakeholder names

If an Effective License Position (ELP) is required:

The partner will collect the following inputs from the customer's premises:

1. Entitlement data outside Microsoft Volume License Agreements from procurement and any applicable sources or suppliers which may include:
    i. Original Equipment Manufacturer (OEM)
    ii. Full Packaged Product (FPP) / Retail
    iii. Outsourcer
    iv. Service provider (Hosters, etc.)
    v. Additional reseller(s)
    vi. Changes to entitlements resulting from mergers, acquisitions or divestitures
    vii. Independent Software Vendors (ISV)
    viii. Any servers/environments managed by a Service Provider Licensing Agreement (SPLA)
2. A full and confirmed list of affiliates, if they exist, and any relevant amendments to their Microsoft Volume License Agreements, including any license transfer documents, either granting or receiving licensing rights.
3. Location of software entitlement, deployment and retirement records as well as level of access allowed.

The partner will collect the following inputs from Microsoft:

Microsoft License Statement (MLS) including Microsoft Product and Services Agreement (MPSA) data where relevant.

3. Data collection

This section lists steps partners must take to build the foundation for the required analysis and customer deliverables. Partners will ensure that all data collected will be stored securely and in accordance with the requirements set out in the I-AM TOUs. The main category of data collection is data related to the Infrastructure Workload/Virtualization assessment, optimization and recommendations. Partners must ensure that the data collected is complete and accurate. Any deviation or change to this scope needs to be approved by Microsoft, the partner and the customer.

Discovery and inventory of hardware and software assets: data collection requirements

Data coverage must reach at least 90% of all devices pertaining to this engagement. Data coverage is defined as the percentage of total devices for which all required installation data has been obtained. Where devices are not joined to the directory or network, manual collection of data is acceptable while maintaining the 90% data coverage requirement. Some specific guidance includes, but is not limited to:

1. Complete extraction of user accounts from the customer's Active Directory (AD) domain(s) and Lightweight Directory Access Protocol (LDAP) and/or workgroups.
2. Extraction of user accounts by group (if applicable, e.g., for Citrix, event logs, last access date). Output includes a listing of user objects and the AD Groups they belong to.

3. Complete extraction of data from the customer's current management and inventory tools and the calculation of current coverage levels of existing tool(s).
4. Inventory of any missing devices, including but not limited to devices that:
    i. Do not report inventory
    ii. Are non-networked
    iii. Are unmanaged devices
5. Virtual environment mapping output. How many virtual machines are deployed on the network, and on which host (typically to be determined using server reports)? The data points for each host server could include:
    i. Host server name
    ii. Domain name
    iii. Physical or virtual
    iv. Clustering configuration
    v. Operating system version and edition
    vi. Affinity rules (captured from virtualization management system)
    vii. Processors, cores and logical processors (vCPUs)
    viii. Virtual guests and virtual guest movement across physical hosts within the past 90 days
    ix. Virtual migration logs to accurately calculate licensing needs for products such as Windows Server, SQL Server, etc.
    x. Additional software assets running on the host besides the virtual machines

<u>Infrastructure Optimization Assessment: data collection requirements</u>

1. Through data discovery, identify:
    i. Operating system versions
    ii. Browser type and version on all machines
    iii. Office Suite versions
    iv. Net framework
    v. CPU, Memory, Free disk
    vi. On-premises Exchange, SharePoint, Lync and similar system deployments to understand what functionality will be needed in Office 365
    vii. Windows Server and SQL Server versions to identify if those versions are supported in Azure
    viii. Azure virtual machine performance metrics to assess system utilization and anticipated resource needs, including Azure Virtual Machines capacity, estimated monthly usage, network use (GB), storage use (GB), CPU utilization (%), memory utilization (MB) disk I/O utilization (IOPS) and network utilization – In/Out (MB/s)
    ix. Applications or services already running in the Cloud
2. Office 365 and Azure system requirements to assist in mapping existing infrastructure to what will be needed to move to the Cloud
3. Virtual environment mapping output for Desktop and Application Virtualization:
    i. Host server data
    ii. Non-Microsoft host servers, such as VMware VSphere or Citrix XenServer, to account for all instances of Windows virtual desktops used in the Virtual Desktop Infrastructure (VDI) configuration

iii. All software assets (OSE and all applications/software) that make up each virtual desktop image on each host server

If an ELP is required:
This section lists steps partners must take to complete the ELP. Some specific guidance includes, but is not limited to:

1. Virtual environment mapping output includes:
   i. Clusters
   ii. Physical hosts
   iii. Virtual guests and virtual guest movement across physical hosts within the past 90 days to accurately calculate licensing needs for products such as Windows Server, SQL Server, etc.
2. Identification of workstations and servers used by Microsoft Developer Network (MSDN®) subscribers. Products installed on these devices will be identified and excluded if appropriate. Facilitation of the identification of devices covered by MSDN® subscriptions by employing various methods such as determining preferred user for devices, linking last logged-on user to devices, or soliciting feedback from customer personnel that have a MSDN® subscription (email template can be provided.) **This step should be completed as early as possible in the data collection phase.**
3. For server products that can be licensed in multiple ways (e.g., server/CAL or per processor), the licensing metric applicable to each implementation must be identified.
4. SQL Server output includes:
   i. Version and edition
   ii. License type required for each SQL Server instance for customers with mixed licensing metric (server/CAL or per processor or per core)
   iii. Confirm passive SQL Servers assigned Failover Rights
5. Windows Server output includes:
   i. Server name
   ii. Physical or virtual operating system environment
   iii. Operating system version and edition
   iv. Processor and core information
6. System Center Server output includes:
   i. Server names
   ii. Physical or virtual data
   iii. Component e.g. SCCM, SCVM version and edition
   iv. Processor and core information

4. Analysis

The Infrastructure Optimization engagement data must be analyzed, reviewed and agreed upon with the customer as an accurate point-in-time reflection of the customer's current deployment and license position. This data, along with the additional customer inputs, will also provide a basis for the development of a solid Infrastructure Optimization Assessment unique to the customer. Based on the inputs and data collection, the partner will complete the following required analysis:

1. Reconciliation analysis between license entitlements and deployment data, including the application of license benefit and optimization rules (e.g. upgrades, downgrades, promotions, etc.).

2. Aggregation and review of data from stakeholder interviews and questionnaires, noting any information that was either unavailable or challenging for the customer to gather.
3. Review of current Cloud environment mapped to optimized environment based on the customer's goals, including assessment of workloads to move to Office 365 or Azure and all business, licensing and technology requirements necessary to make the move.
4. Review of existing SQL Workloads (OLTP, OLAP, etc.) to better determine which license type or server edition to assign to that particular workload.
5. Review of usage and license optimization scenarios to determine final SQL Workloads/ virtualization optimization recommendations for the customer.
6. Assessment of all business, licensing and technology requirements necessary to meet the recommendations presented to the customer.

5. Deliverables

The following deliverable is **due to the customer** at the **beginning** of the engagement:

Letter of Engagement. This letter must include at a minimum:

i. A Statement of Work (SOW) for the engagement being performed, including a list of all customer deliverables
ii. Scope of the engagement, including any scope limitations
iii. Dates and timelines
iv. Partner project team members and their relevant Microsoft Certified Professional (MCP) credentials
v. List of key contacts that must include names, titles, phone number, and email addresses.
vi. Planned disclosure of engagement deliverables to Microsoft
vii. Statement explaining that data collected by partners from customer's information system environment is transferred to Microsoft, and how Microsoft will use that data collected to generate reports necessary for partners to effectuate the SAM services.
viii. Consent from the customer to transfer data to Microsoft, any of its affiliates, and to the subprocessors Microsoft may employ to generate the reports necessary for the SAM services, including consent to transfer Personal Information to the United States and other countries where Microsoft's subprocessors are located. "Personal Information" means any information provided by Microsoft or collected by partner in connection with this Agreement (a) that identifies or can be used to identify, contact, or locate the person to whom such information pertains, or (b) from which identification or contact information of an individual person can be derived. Personal Information includes, but is not limited to: name, address, phone number, fax number, and email address. Additionally, to the extent any other information (such as, but not necessarily limited to, a personal profile, unique identifier, and/or IP address) is associated or combined with Personal Information, then such information also will be considered Personal Information.
ix. The Microsoft SAM Engagement data usage and privacy information document ("Data Usage Guide"). Find the current version here.
x. Reference the Data Usage Guide, where appropriate.

The Letter of Engagement must be in writing and signed by authorized representatives of the partner and customer.

The following deliverables are **due to the customer** at the **end** of the engagement:

1. Infrastructure Optimization Assessment Report. According to the scope of the engagement, this report will contain:
    i. An Executive Summary. A high-level summary of project background and scope, engagement result, recommendations and next steps.
    ii. Summary of current or upcoming end-of-life products with upgrade path recommendations.
    iii. Identification and recommendation of users, workloads, and applications with prioritization to "Lift & Shift" to the Cloud (Azure and Enterprise Mobility and Security (EMS) for Infrastructure as a Service (IaaS) and Platform as a Service (PaaS)).
    iv. Recommendations on post migration to the Cloud on optimizing virtual machine and server workload usage, licensing (when applicable), and technology implementation requirements. Examples can include:
        a. Disaster Recovery configurations
        b. Non-production environments
    v. Pricing and cost of ownership of moving to Azure (Optimal TCO Calculations are based on actual utilization and performance).
    vi. Assessment of the customer's SAM policies and procedures.
    vii. Additional uses of data. In this section, the partner provides specific infrastructure optimization-related findings. Examples of information that can be included in this report are:
        a. Creation of a Cloud roadmap
        b. High-level security assessment
2. Established Deployment Position (EDP). A document with details related to all hardware and software currently deployed within the customer's IT infrastructure.

If an ELP is required:

1. The Effective License Position. A spreadsheet that provides details related to license entitlements and deployments. The spreadsheet must be produced using I-AM (Note: Defined in Deliverables to Microsoft).
2. License Optimization Report. This report must contain the risks, liabilities, and issues associated with customer's current licensing practices and prioritized recommendations on how to better manage their licenses to minimize risks in the future. The report could also contain, but is not limited to:
    i. Identification of all of the customer's Volume License Agreements (VLAs) with Microsoft and a recommendation on any beneficial consolidation.
    ii. Consumption information, detailing installed products that are unused or underutilized (e.g., no use in last six months).
    iii. Recommendations for a repeatable, simplified inventory collection process for future True-ups (for Enterprise Agreement customers only).

Additional customer-specific recommendations based on captured data and insights.

The following deliverable is **due to Microsoft** at the **beginning** of the engagement and must be provided as necessary Proof of Execution (POE) in order for the partner to collect Channel Incentives payment (along with additional deliverables listed below)

Letter of Engagement. This must be the same Letter of Engagement provided to the customer and signed by the customer and the partner at the beginning of the engagement.

The SAM partner must notify the Microsoft SAM Engagement Manager when the POE is uploaded into the required system as designated by Microsoft (currently, CHIP). POE includes the following deliverables due to Microsoft upon the completion of the SAM Engagement and must be provided as necessary POE in order for the partner to collect Channel Incentives payment:

1. Established Deployment Position (EDP). The EDP, a I-AM generated Excel report, provides details related to the customers' Microsoft software deployments and usage data. The software deployments are identified using discovery tools and manual inputs as outlined in the Data collection section. The partner must first input all relevant data into the customer Inventory Data Contract (CIDC) template, which will be uploaded into I-AM. The EDP will then be created by the partner using I-AM which is to be given to the customer and Microsoft. EDPs produced outside of I-AM will not be accepted as proof of execution. The EDP data must meet or exceed the minimum quality standards published in the current SAM Minimum EDP Quality Standards.
2. Infrastructure Optimization Assessment Report. This must be the same Infrastructure Optimization Report provided to the customer, as outlined above.
3. Letter of Confirmation (only applicable for customer countries listed below)
    I. Required: China
    II. Advised: India, Malaysia, Indonesia, Philippines, and Vietnam.

    The Letter of Confirmation should be drafted after completion of the SAM engagement and requires customer's chop (stamp) or email from customer corporate domain confirming provision of SAM engagement.

    The Letter of Confirmation must include the following statement:

    "This is to confirm Microsoft SAM partner <insert partner Name> has implemented SAM service <insert SAM Engagement Type> to customer <insert customer name>."

If an ELP is required:

4. Effective License Position. The ELP provides details related to license entitlements and deployments and is generated using I-AM. The ELP must be finalized in the I-AM. ELPs produced outside of I-AM will not be accepted. An encrypted ELP must be uploaded into the designated tool (currently CHIP) as proof of execution.

6. SAM resources

SAM partner eligibility, program overview and partner incentive guides are located at http://aka.ms/SAMIncentiveGuide