US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Johnson Controls, Inc, Automotive Division #1

PARTNER/VAD NAME: Accenture or Bearing Point

Note: There are two options we are working on for this customer. Keith Block, Ron Wohl, George Roberts, and Sergio have been involved. Option A is to pursue an All-In-One pricing scenario which is being worked on by Andy Bailey's team. Option A will go through the approval process via Andy's team. This approval is for Option B which is for a straight license purchase with computer and admin services. Customer has requested both options.

JCI is a top tier automotive industry supplier recognized by Forbes, Industry Week, and InformationWeek as being a leader in their industry and a leader in leveraging technology. Capturing this marquee account is pivitol to Oracle's presence in the industry. Hence, SAP is doing everything in their power to buy the business and undermine Oracle in the bid process. We are requesting several nonstandard terms to combat SAP tactics. The terms have been requested based on several negotiation meetings already held and more planned for this week. They are extremely aggressive, however we've been told if we do not meet the competition we will be disqualified.

Oracle recent lost to SAP on the Paccar deal due to SAP's aggressive price undercutting tactics in the auto industry. This is the first major automotive supplier ERP project in 3 years to come up and SAP is undercutting every price Oracle has placed in front of JCI.

SECTION I - Approval Requests: Option B for your review. This deal is comprised of license, computer and admin services. All migration calcs and hosting discounts are standard.

HQAPP Requests:

1. Worst-case overall product and migration discount of 75% for a global roll out of the ebusiness suite, add-ons and technology Technology to Support these applications. Team will position 70% due to SAP pricing.
2. Show net fees only to client. Due to the SAP competition and the support issues (we understand SAP is pricing support around 18% of net L and lower), we want to show one price to customer for license and support.
3. 3 year price hold for this division only - additional users only 55% for the suite, 70% add'l users of all other products
4. Flatline support for 5 years. 3% cap yrs 6-10.
5. Request to license Automotive Division of JCI for the suite (not a majority sub) and base the suite minimum and licensing for the add-on products in the upfront deal and the price holds (including products licensed by Employee/Person) only on the salaried workers in this division. JCI has 111,000 employees worldwide – 74,000 are in the Automotive division and . JCI Auto. . Automotive is $15B of JCI $20B total revenue and has 14,000 salaried workers. Client will agree to periodic license audit to restrict licenses to a division if required
6. Request to reduce the standard 20% mins to 10% Professional Users and base the suite minimums and add-on products licensed by Person/Employee to be based only on the 14,000 salaried employees in the Automotive division (we're only migrating/licensing 10% of the Professional Users for the salaried employees upfront) JCI has a disproportionate number of factory workers which will never access the systems and we will contractually prohibit access for the non-salaried workers.
7. Request hosting fee to remain flat for five years
   a. **Chou: approved if hqapp approves – if there is phasing the flatline language needs to be clear that it's based on the end of the phase.**
8. Request for first year of hosting fees to ramp up to full amount as of production.

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   a. **Chou: was standard pricing and contracting applied? Were outsourcing and license mins met in each phase – if you'd like us to review a specific phasing, let us know.**
9. Request to include Oracle's standard comp and admin guidelines only that outlines response times and other hosting deliverables. We will not offer any contractual commitment to meet these, they are internal guidelines only. Oracle will not be considered in breach of contract if we do not meet these guidelines.
   a. **Chou: what guidelines? I'll attach what's been reviewed.**

SECTION II – Deal Summary:

Deal Summary	
Programs	Global Procurement/Supplier Management and Financials with Business Intelligence, Data Warehousing and Sourcing are options 1252 New Professional Users –eBusiness Suite – 363 Upgrading 300 External eBusiness Users 400 Sourcing Named Users 1415 9i Database New Named Users – 200 migrating 100 Data Warehouse Express Named Users 100 9iAS Named Users 1915 Tutor for application users
License Discount	75% worst-case overall eBusiness Suite 55% Technology – 72% Sourcing - 82% Tutor – 72%
Support Discount	22% of net above 20% of license over $5 million
Comp & Admin Discount	90%
Phased Implementation for Comp & Admin?	Yes per request #8 above
Support Options/Holds	5 year flatline and 3% cap yrs 6-10
Price Holds	3 yrs addn'l users only: 55% apps, all other 70%
List License	$15,229,025
List Support	$ 3,350,386
List Comp & Admin	$1.6M (approximate)
Net License	$ 3,807,257
Net Support	$ 837,597
Net Comp & Admin	$ 1.6M (approximate)
Net Total Price	$ 4,644,854 (plus hosting of $1.6M)
Price List Used	current

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement if applicable	

SECTION III - Justification:

1) **Competition: SAP**
   - **SAP has offered license for $4.1M, however it has been rumored they may initially offer software at no charge to "buy" the business from Oracle. SAP is calculating support at 18% net. Our price is still slightly higher.**
   - **SAP has gained a significant footprint through JCI Automotive acquisitions, and Europe had already made SAP decision when company consolidated operations globally 9/2002.**
   - **This is strategic opportunity, and getting a foothold in this market may not happen again. SAP wants to keep Oracle out of the Automotive Market, where they dominate, and we need a new Tier I client, the first in a number of years. JCI ranked as the top automotive parts supplier on the "Magnetic 40" list published by Forbes.**
   - **Technology discount will lock us in against UDB/SQL. SAP is proposing SQL and/or Oracle for db. SAP is quoting $125K for restricted use. JCI wants DB for enterprise to leverage for other apps which is why they are willing to pay more $ for DB to Oracle.**

2) **Licenses /support shown net only and bundled with hosting to show total package value and equal price comparison with SAP. Do not want customer to drive negotiations to discounts required to make sourcing pricing competitive. SAP is offering this functionality for free. We do not want to show customer higer discounts since they'll drive the whole deal to be at that discount.**

3) **Price hold required to encourage project to expand beyond finance group into engineering/manufacturing within JCI Automotive.**

4) **Price hold for new license add ons to expand footprint of ebiz suite into other required initiatives planned for phase II of project .**

5) **5 yr. Support flatline and cap to year 10 requested to address JCI requirement in RFP/Internal Authorization Request (IAR). We've positioned 3 year flatline.**

6) **55% discount of ebiz suite for future users to encourage expansion of use with JCI Auto and Control to replace competitive products such as Peoplesoft for HR, QAD for Manufacturing ERP, and Matrix One for PDM**

7) **Competitive pricing for Sourcing to since SAP is providing this module at no charge. Sourcing is 40% of the total project license cost. Sourcing requires 82% discount for client consideration as part of the project.**

8) **Nonstandard ebiz pricing for JCI Auto requested since JCI Control have not participated in this evaluation and both divisions run independently. Request to license % of salaried workers instead basing price on JCI Auto employees since the number of employees is disproportionate to the total due to a large number of inexpensive labor in Mexico and Eastern Europe. The total number of professional users licenses is based on the number of salaried employees, which is proportionately less than a normal company of this size.**

9) **Migration licenses identified and upgrade pricing is estimated for final approval week of 2/3.**

10) **Existing JCI/Oracle SLSA can be used from year 2000 per Rob Orr of Oracle legal.**

Recommendation: (*leave blank for HQAPP to fill out)*

Submitted By: ***Dave Lazor and Mark Kreighbaum***

R: *(leave blank for HQAPP to fill out)*
C:
L:
A:
BP:

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PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:
(Delete this section if not applicable)

If Computer and Administration Services or Administration Services are being ordered please provide information below:

Does this deal include Phased Implementation? **No**
License minimums met at each implementation phase? Is customer purchasing the Ebusiness Suite? If so what is the total employee population? **Is the 20% rule met in each phase? No – Explained in justification.** **Is the 10% professional user rule met in each phase? Yes**
Computer and Administration or Administration Services hosting minimums met at each implementation phase? ($6,000 monthly for C&A and $4,000 monthly for Admin for EBSO only **Yes** ($6,000 monthly for C& A for Collaboration Suite) ($12,000 monthly for C&A for EBSO and OTO and $8,000 monthly for Admin only for EBSO and OTO) Example: A customer wishes to purchase Computer and Administration Services for 9i and Financials. The net annual fees for 9i are $65K and the net annual fees for Financials are $100K. An incremental fee is not required since the total fees of $165K are greater than the $144K annual minimum Note: If a customer is purchasing a database/ias license simply to be in compliance with E-Business Suite requirements (e.g. they are making modifications), they must purchase Outsourcing for the database/ias as well the E-Business Suite application, but this is not considered Technology Outsourcing and they only need to meet the E-Business Suite minimums of $48,000 for Administration Services only and $72,000 for Computer and Administration Services. On the other hand, if the customer is specifically implementing 9iAS/9i functionality such as Portal or Data Warehouse in addition to E-Business Suite, that is considered Technology Outsourcing and the customer must meet the minimums for both Technology and E-Business Suite Outsourcing. Thus, the minimums would be $96,000 for Administration Services only and $144,000 for Computer and Administration Services. The customer must be in compliance with database licensing requirements
Does this deal have a subet of users?
What is the entire License set? What is the justification for a subset?
Standard Ordering Document Terms? **No Client wants Oracle to pay for data migration if Oracle discontinues hosting business.**
Standard pricing? **Yes**
Is Customer using the Certified Configuration (applies to Admin only)? **Yes**
Administration Services or Computer and Administration Services:
Applications or Technology or both: **Both**
Customer email address (required): monte.j.nuckols@jci.com
Service Implementer (required): Oracle Consulting

For existing licenses - (NOTE: Validation of existing licenses and support must be obtained from licmgmt@us.oracle.com)	CSI Number_____ Original License Agreement_____ All exsintg Original Order Entry No._____ Date of Original License Purchase _____

Are additional users being purchased for applications that are already hosted?
Is this purchase of Administration Services or Computer and Administration Services by a customer who is purchasing Outsourcing for additional products which were not previously hosted?
Are any self-service apps for use outside the firewall being purchased? **No**
Did customer purchase FastForward OnLine Financials RPM (5 day implementation preconfigured general ledger)?
Is customer purchasing an iLearning Subscription? **Tutor**

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at http://esource.oraclecorp.com
PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.
PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.
MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to http://nafo.us.oracle.com under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	
Opportunity I.D. (OSO Number):	
Is this a ship order?	____Yes ____No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	
Is this deal the result of a compliance issue that LMS has been involved in?	____Yes ____No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	____Yes (specify non-supported license type and eBusiness license type used to determine conversion) ____No
Quote Valid Through (insert date):	
Partner (insert name, if applicable)?	Margin or % of net license fees_____
VAD (insert name, if applicable)?	Margin or % of net license fees_____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee? If yes, specify payment type:	____Yes ____No ____Applications Affiliate Fee ____ROP Fee *(GB Use Only)*
MIGRATIONS OR UPDATES:	____Yes ____No
PREMIUM SERVICES:	____Yes ____No
INCIDENT PACKS:	____Yes ____No
INTERNATIONAL:	____Yes

Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	____No
Payment Terms:	____Net 30 ____Other (Specify)
Referenced Agreement:	____New OLSA ____Other (Specify)

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	
Business Address:	
City / State / Zip:	
Customer Contract Admin:	
Phone #:	
Fax #:	
E-mail ID:	
Billing Contact:	
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt ___
Shipping Contact:	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Technical Support Contact:	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
Email ID:	
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	$_____
Education Discount:	_____%
Education Revenue:	$_____
Education Sales Rep:	

PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:
Make:
OS:
PROGRAMS:

Applications		
Will applications be modified:	____Yes	____No
Will users be accessing modified Apps from the web:	____Yes	____No
Have all prerequisites been included:	____Yes	____No
Will users use Fast Forward RPM:	____Yes	____No
Will applications be hosted:	____Yes	____No
Indicate database that Apps will run on:		
Indicate CSI for existing prerequisite database and tools:		

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	
Technology Sales Manager	
Account Manager	
iSD Rep	
Education Sales Rep	
Support Renewals Rep	
Premium Support Rep	
Migrations Manager	
Is there a teaming agreement?	____Yes (if yes, list all appropriate reps) ____No
Requester:	Name: _____ Business Telephone: _____ Cell Phone: _____