

IBM Technology



G-Cloud15

IBM – Apptio - IT Financial Management

Service Definition Document

Email: ukcat@uk.ibm.com

Contact: Anne-Marie Wheeler

Contents

Contents	2
Cloud Service	3
Data Processing and Protection Data Sheets	19
Service Levels and Technical Support	20
Charges	21
Additional Terms.....	22
Overriding Terms	24



IBM Apptio - IT Financial Management

This Service Description describes the Cloud Service. The applicable order documents provide pricing and additional details about Client' s order. Upon acceptance of Client' s order, this Service Description and the Cloud Services Agreement found at <http://www.ibm.com/terms/csa> (or equivalent agreement for Cloud Services between the parties) applies to Client' s use of the Cloud Services.

Cloud Service

Offerings

The Client may select from the following available offerings.

IBM Apptio Costing & Planning Standard

IBM Apptio Costing & Planning Standard combines financial and operational data associated with IT spend in a unified model to enable faster analysis and planning. Areas of coverage and focus include financials, labor, fixed assets, vendors, infrastructure and cloud, and projects.

Key Capabilities:

- **Data:** Apptio Costing & Planning Standard onboards data through the Datalink feature. Automated business rules help map transformed data to fields and objects in a data model (schema) purpose-built for IT business analysis. Incremental data sets are incorporated in

the model to identify and categorize the applications and services available in the organization

- **Modeling:** The model is created from a pre-built set of rules that map and allocate costs from general ledger journal entries, support, maintenance, QA and testing labor, infrastructure and other costs into categories of cost pools, towers and sub-towers and up to the application, service family, service and business unit level. This information can be made available on a monthly basis as part of a showback strategy to increase awareness of IT costs and expose the levers available to the business to change their cost structure.
- **Reporting:** Apptio Costing & Planning Standard includes pre-built reports like application and service costing reports that leverage slicers, and other features that help Client communicate important facts and better collaborate on decisions. End users are also able to create their own reports leveraging the self-service reporting feature and review run and development costs for applications through a single dashboard.
- **Planning:** Apptio Costing & Planning Standard automates expense budgeting, forecasting, and variance analysis across a multi-year time horizon. Users can also manage project capital, resource and operating costs associated with investment projects and model the impact of potential resourcing changes on budgets and shared resources.

IBM Apptio Costing Essentials

IBM Apptio Costing Essentials combines financial and organizational data associated with IT spend in a unified model, automatically classifying and allocating key spend drivers for visibility and transparency for organizations. IBM Apptio Costing Essentials provides the opportunity for more efficient utilization of resources, cost optimization, improved business alignment and the ability to capitalize on shifting market conditions and opportunities more quickly. Areas of coverage and focus include labor, vendor, projects, cloud and contracts while providing views into applications,



services, and business units. IBM Apptio Costing Essentials uses a simplified cost model to allow users to allocate IT costs to the business units, services, or applications based on headcount or other similar (non-consumptive type) allocation strategies. This information can be made available as part of a showback strategy to increase awareness of IT costs and expose the levers available to the business to change their cost structure.

- **Data:** Onboards data automatically through the Datalink platform from common pre-select data sources. Prescriptive business rules and logic help map and transform these data sets to fields and objects to an IBM-defined data model (schema) that is purpose-built for IT and technology business analysis.
- **Modeling:** The model is created from a pre-built set of rules that map the IT costs using a standardized allocation model from general ledger entries into categories of cost pools, service categories and up to the business units. Onboarding Services helps configure a cost model to fit the available Client data and organizational needs using a library of best practice allocation rules, together with assimilated specialized expertise. Users also leverage the Apptio Workbench (aka Editable Tables) to update these cost allocations and distributions to keep up with internal organization and market changes.
- **Reporting:** Includes pre-built (out-of-the-box) reporting, tied to the specific use cases the product solves, as part of the deployment. End users are provided access to these pre-built reports and can create their own reports. Reports and dashboards include persona-based views tailored for actionable information. To enhance understanding and trust in the data, users can trace costs from reports through the model and back to original source data like general ledger journal entries

IBM Apptio Costing Standard



IBM Apptio Costing Standard expands upon the foundational capabilities of IBM Apptio Costing Essentials. IBM Apptio Costing Standard incorporates additional data that aims to provide opportunities to drive more automated, granular, and consumptive allocations. The additional information provides opportunities to enable more advanced TBM use cases including application rationalization and application optimization; determining addressable and non-addressable spend from an application view; and providing consumption-based allocations to the organization. IBM Apptio Costing Standard also provides details on the infrastructure spend drivers of these applications. These use cases are intended to help communicate the cost and value of the products and services delivered and to potentially influence technology investment and operational spending decisions.

- **Data:** Builds on top of the IBM Apptio Costing Essentials solution by incorporating consumption-based data from a variety of enterprise systems. There is flexibility available to ingest a variety of data sources including financial and operational data. This data can be used to automate allocations and provide more advanced dimensions and metrics.
- **Modeling:** Facilitates a flexible, and extensible cost model using consumption-based data to automate detailed, accurate and defensible allocations. The standard model is based on a defined set of categories at the financial layer, the technical layer, and the organization/business capabilities layer. Building upon the IBM Apptio Costing Essentials model, labor costs can be allocated using manager estimated allocations, time reporting for operational activities, project-based time reporting for lifecycle investments, agile stories or labor activity for agile operating models, or a hybrid combination. Infrastructure, platform and delivery asset level costs are allocated to applications, products and services to help in determining the total investment and operational costs. Application, product, and service costs are allocated to the organization based on headcount, number of transactions, number of users, or any other volume-based driver.

- **Reporting:** Provides ready-to-use reporting, aligned to the use cases the product addresses. Administrators can modify existing reports and create new, customized and advanced reports using the capabilities of the Reporting Studio. Users can trace costs from reports through the model, back to original source data, such as general ledger journal entries. End users have access to these out-of-the-box reports and can create personalized dashboards.

IBM Apptio Essentials

IBM Apptio Standard includes all the functionality of the following Cloud Services as described herein:

- IBM Apptio Costing Standard
- IBM Apptio Planning Standard
- IBM Apptio Billing Standard

IBM Apptio Standard

IBM Apptio Standard includes all the functionality of the following Cloud Services as described herein:

- IBM Apptio Costing Standard
- IBM Apptio Planning Standard
- IBM Apptio Billing Standard
- IBM Apptio Benchmarking



IBM Apptio Mainframe TCO

IBM Apptio Mainframe TCO is a purpose-built solution that delivers a clear, defensible view of Mainframe costs only. This solution is built on IBM Apptio's Costing Standard and IBM Apptio Billing Standard capabilities and provides Mainframe cost transparency, usage-based cost allocation to business applications, showback/chargeback to consuming organizations; and usage insights, through pre-built dashboards and reports. Specific capabilities include:

IBM Cloudability Managed Service Provider enables Clients to:

- Mainframe TCO - comprehensive view of total cost and consumption by combining costs, GCP/zIIP MSUs, and calculated unit costs in one screen
- Mainframe Analysis – view mainframe costs and consumption in a flexible table format using filters and optional dimensions, metrics, and time for ad hoc reporting and/or downloading.
- Mainframe Usage – view MSU consumption trends by workload category, helping users track usage across different types of processing.

-

Model View - visualize cost flow from beginning to end in the cost model. Trace the underlying cost drivers feeding into the mainframe processor including direct costs from the General Ledger (e.g., depreciation) as well as labor and vendor costs.

This solution is only available to organizations that do not have existing entitlements to any of the IBM Apptio Cloud Services in this SD, and solely focuses on collecting and modelling Mainframe (and related) data and costs.

IBM Apptio AI TCO & Usage

IBM Apptio AI TCO & Usage is a purpose-built solution for tracking the full lifecycle of Client' s AI investments only. This solution is built on IBM Apptio' s Costing Standard capabilities and provides defensible transparency into ongoing AI costs and usage across AI models and AI solutions, helping to drive smarter AI scaling decisions by assessing Unit Economics and enabling responsible AI consumption and showback across Client' s organization through pre-built dashboards and reports. Specific capabilities include:

- AI Cost Transparency & Allocation – Establish AI TCO visibility and get continuous tracking and allocation of AI spend across cloud, labor, infrastructure, vendor and application layers.
- Track & Evaluate AI Usage – Understand and track AI usage, such as Input & Output Token Consumption, to avoid bill shock and predict future usage
- Enable Responsible AI Adoption - Identify inefficiencies between spend and usage to adjust investments to minimize areas of underutilization or waste, where spend and usage do not align.



This solution is only available to organizations that do not have existing entitlements to any of the existing IBM Apptio Cloud Services in this SD.

IBM Apptio Enterprise Business Management (EBM) Costing

IBM Apptio EBM Costing is a SaaS solution for aligning and allocating technology and non-technology costs to provide a total cost view of a business process, product or service. Apptio EBM Costing enables Clients to build allocation models for non-IT enterprise spend in order to drive cost transparency over shared services (i.e., enterprise spend on shared resources such as legal, facilities, communications, human resources, etc.) and shared services costs mapped to business products (i.e., average cost per customer for a shared service).

IBM Apptio EBM Billing

IBM Apptio EBM Billing expands on IBM Apptio EBM Costing for the billing of legal entities and business divisions from Shared Services including transfer pricing. Apptio EBM Billing delivers a summarized report to the business unit or division that illustrates the cost, quality, and value of the Shared Services each business unit consumes.

Optional Services

IBM Apptio Planning Essentials

IBM Apptio Planning Essentials automates expense budgeting, forecasting, and variance analysis across a multi-year time horizon. Specific capabilities include:

•

IBM Cloudability TotalCost enables Clients to:

- Consolidate OpEx and CapEx budgets to gain a holistic view of IT spend, improve budget transparency, and increase budget accountability.
- Automate the forecast process, perform “what if” analysis, and makes decisions based on realtime cost trends.
- Create plans for key areas such as labor, assets, and contracts. Translate costs into IT-relevant categories and identify and manage variances against the plan.

IBM Apptio Costing Essentials or IBM Apptio Costing Standard are a prerequisite for this optional Cloud Service.

IBM Apptio Planning Standard

IBM Apptio Planning Standard builds upon the core features of IBM Apptio Planning Essentials, offering enhanced capabilities for resource optimization, project financial management, and cloud financial planning. This solution enables integrated planning across traditional IT and cloud financial domains, supporting project owners in managing project capital, resources, and operating costs throughout the lifecycle of investment projects. Specific capabilities include:

- Enable multi-year planning for project and investment expenses across their entire lifecycle.
 - Provide a unified collaborative platform for project owners, program managers, departmental heads, and IT Finance to plan, budget, and monitor expenses.
- A comprehensive portfolio view that distinguishes between change and run expenses across projects, products, and value streams.



- Support cloud financial planning by integrating cloud forecasts with IT financial plans to enable consistent budgeting and forecasting across cloud and traditional IT environments.

IBM Apptio Costing Essentials, IBM Apptio Costing Standard, or IBM Apptio EBM Costing are a prerequisite for this optional Cloud Service.

IBM Apptio Billing Essentials

IBM Apptio Billing Essentials communicates the total cost of ownership of the billable solutions consumed by business consumers. Generate and send bill invoices with a simple billing methodology. Specific capabilities include:

- Facilitate and automate the chargeback process by generating and automatically sending monthly bills to business consumers for the services they consume.
- Simple billing methodology based on the price of each unit and the quantity of units consumed, rates may be priced for recovery or adjusted to incentivize behavior.
- Reconcile and adjust bill invoices by changing services or volumes based on business consumer feedback.
- Export chargeback journal entries for the financial system of record.

IBM Apptio Costing Essentials is a prerequisite for this optional Cloud Service.

IBM Apptio Billing Standard

IBM Apptio Billing Standard includes Apptio Billing Essentials capabilities and enables an IT chargeback process by allowing users to customize the allocation and billing methodologies

-

including rate based, cost pass through, cost allocation, and/or budget. Apptio Billing Standard also includes allocation whatif scenario planning to forecast demand of services based on various rates and service levels. Apptio Billing Standard supports legal entity reporting, transfer pricing and taxation, and other regulatory compliance reporting.

IBM Apptio Costing Standard or IBM Apptio Costing & Planning Standard are a prerequisite for this optional Cloud Service.

IBM Apptio Benchmarking

IBM Apptio Benchmarking enables users to track actual IT spend calculated in IBM Apptio Costing against peer benchmarks on an ongoing basis. IBM Apptio Benchmarking offers an integrated long-term approach to benchmarking where cost and performance metrics are provided side-by-side with peer benchmarks. Users have access to benchmark data and can self-select the comparative sample that best aligns with their organization. Benchmark data is gathered from hundreds of companies across more than twenty major industry segments and is updated once per year. IBM Apptio Benchmarking spans high-level industry benchmarks, granular infrastructure unit cost metrics, and benchmarks by IT function and type.

IBM Apptio Costing Standard or IBM Apptio Costing & Planning Standard are a prerequisite for this optional Cloud Service.

IBM Technology Emissions Management (TEM)

IBM Technology Emissions Management is designed to help organizations examine their IT Carbon Estate (Cloud & On-Premise) to meet internal sustainability needs and support reporting requirements.

Key Capabilities:

- **Understand Carbon emissions for IT:** IBM Technology Emissions Management onboards data through the Datalink feature. Automated business rules help map transformed data to fields and objects in a data model (schema) purpose-built for IT business analysis. Incremental data sets are incorporated into the model to identify and categorize the organization's carbon impact.
- **Review IT Carbon emissions with the Business:** The model is created from a pre-built set of rules that map and allocate costs from general ledger journal entries, support, maintenance, QA, and testing labor, infrastructure, and other costs into categories of direct (owned) emissions, indirect (purchased) emissions, and other indirect (purchased) emissions. This information can be made available monthly as part of a carbon emissions set of reports and made available to internal and external stakeholders for the business.
- **Reporting:** IBM Technology Emissions Management includes pre-built reports that leverage slicers and other features that help the Client communicate important facts and better collaborate on decisions. End users are also able to create reports leveraging the self-service reporting feature.
- IBM Cloudability Standard or IBM Cloudability Premium is a prerequisite for this Cloud Service.

-

- All cloud data will be taken from Cloudability.

This Cloud Service takes data from the following sources (as supplied by the Client) that IBM will map into the master datasets

- Applications
- Business Services
- Compute
- Database
- End User Devices
- Storage

IBM Apptio Costing & Planning Standard Tier Greater than 1B

Provides same functionality as the base Cloud Service and required if tier of IT Spend is greater than \$1B. IBM Apptio Costing & Planning Standard is a prerequisite for this optional Cloud Service.

IBM Apptio Costing Essentials Tier Greater than 1B

Provides the same functionality as IBM Apptio Costing Essential and required if tier of IT Spend is greater than \$1B. IBM Apptio Costing Essentials is a prerequisite for this optional Cloud Service.

IBM Apptio Costing Standard Tier Greater than 1B



Provides the same functionality as IBM Apptio Costing Standard and required if tier of IT Spend is greater than \$1B. IBM Apptio Costing Standard is a prerequisite for this optional Cloud Service.

IBM Apptio Planning Essentials Tier Greater than 1B

Provides the same functionality as IBM Apptio Planning Essentials and required if tier of IT Spend is greater than \$1B. IBM Apptio Planning Essentials is a prerequisite for this optional Cloud Service.

IBM Apptio Planning Standard Tier Greater than 1B

Provides the same functionality as IBM Apptio Planning Standard and required if tier of IT Spend or Enterprise Spend is greater than \$1B. IBM Apptio Planning Standard is a prerequisite for this optional Cloud Service.

IBM Apptio Billing Essentials Tier Greater than 1B

Provides the same functionality as IBM Apptio Billing Essentials and required if tier of IT Spend is greater than \$1B. IBM Apptio Billing Essentials is a prerequisite for this optional Cloud Service.

IBM Apptio Billing Standard Tier Greater than 1B

Provides same functionality as IBM Apptio Billing Standard and required if tier of IT Spend is greater than \$1B. IBM Apptio Billing Standard is a prerequisite for this optional Cloud Service.

IBM Apptio Benchmarking Tier Greater than 1B

-

Provides the same functionality as IBM Apptio Benchmarking and required if tier of IT Spend is greater than \$1B. IBM Apptio Benchmarking is a prerequisite for this optional Cloud Service.

IBM Apptio Essentials Tier Greater than 1B

Provides the same functionality as IBM Apptio Essentials and required if tier of IT Spend is greater than \$1B. IBM Apptio Essentials is a prerequisite for this optional Cloud Service.

IBM Apptio Standard Tier Greater than 1B

Provides the same functionality as IBM Apptio Standard and required if tier of IT Spend is greater than \$1B. IBM Apptio Standard is a prerequisite for this optional Cloud Service.

IBM Apptio EBM Costing Tier Greater than 1B

Provides the same functionality as IBM Apptio EBM Costing and required if tier of Enterprise Spend is greater than \$1B. IBM Apptio EBM Costing is a prerequisite for this optional Cloud Service.

IBM Apptio EBM Billing Tier Greater than 1B

Provides the same functionality as IBM Apptio EBM Costing and required if tier of Enterprise Spend is greater than \$1B. IBM Apptio EBM Billing is a prerequisite for this optional Cloud Service.



IBM Apptio Costing Additional Environment

This Cloud Service provides Client with a non-production environment of IBM Apptio Costing which can only be used for non-production purposes, including testing and archival purposes. This environment does not have functionality that will migrate data or elements into a production environment. Client



must have entitlement to IBM Apptio Costing, IBM Apptio Costing and Planning Standard, or IBM Apptio Standard as a prerequisite to this additional Apptio Costing non-production environment.

IBM Apptio Planning Additional Environment

This Cloud Service provides Client with a non-production environment of IBM Apptio Planning which can only be used for non-production purposes, including testing and archival purposes. This environment does not have functionality that will migrate data or elements into a production environment. Client must have entitlement to IBM Apptio Planning, IBM Apptio Costing and Planning Standard, or IBM Apptio Standard as a prerequisite to this additional Apptio Planning non-production environment.

IBM Apptio Billing Additional Environment

This Cloud Service provides Client with a non-production environment of IBM Apptio Billing which can only be used for non-production purposes, including testing and archival purposes. This environment does not have functionality that will migrate data or elements into a production environment. Client must have entitlement to IBM Apptio Billing or IBM Apptio Standard as a prerequisite to this additional Apptio Billing non-production environment.

Data Processing and Protection Data Sheets

IBM's Data Processing Addendum at <http://ibm.com/dpa> (DPA) and the Data Processing and Protection Data Sheet(s) (referred to as data sheet(s) or DPA Exhibit(s)) in the links below applies to IBM's processing of personal data on behalf of Client.

<https://www.ibm.com/terms/?id=1E951ECEf0264E86AB2907C2DFDFCB81>

The Cloudability Savings Automation Cloud Service is hosted in data centers located in the United States and Client consents to the same. The Parties shall ensure that an appropriate mechanism (standard contract clauses or other) is in place to allow for such processing in accordance with the Regulation (EU) No 2018/1725 (GDPR), where required.

Service Levels and Technical Support

Service Level Agreement

IBM provides the Client with the following availability service level agreement (SLA). IBM will apply the highest applicable compensation based on the cumulative availability of the Cloud Service as shown in the table below. The availability percentage is calculated as the total number of minutes in a contracted month, minus the total number of minutes of Service Down in the contracted month, divided by the total number of minutes in the contracted month. The Service Down definition, the claim process and how to contact IBM regarding service availability issues are in IBM's Cloud Service support handbook at <https://www.ibm.com/support/pages/node/731179>.

Availability	Credit (% of monthly subscription fee*)
Less than 99.5%	2%
Less than 99.0%	5%
Less than 95.0%	10%

* The subscription fee is the contracted price for the month which is subject to the claim.

Technical Support

Technical support for the Cloud Service, including support contact details, severity levels, support hours of availability, response times, and other support information and processes, is found by selecting the Cloud Service in the IBM support guide available at <https://www.ibm.com/support/home/pages/support-guide/>.

Optional Support Offerings

Additional support options are available for this Cloud Service. If Client selects to order an optional support offering, the terms defined in the Optional Support Offerings Service Description at <https://www.ibm.com/terms/?id=i126-9789> will apply to the support offering specified in Client's TD.

Charges

Charge Metrics

The charge metric(s) for the Cloud Service are specified in the Transaction Document.

The following charge metrics apply to this Cloud Service:

- Annual IT Spend Under Management or "IT SUM" is the total annual Operating Expenses managed by the Cloud Service during the applicable twelve (12) month period. The Cloud

Service may be used to manage Client' s internal IT only unless otherwise provided. For Public

Sector Clients, IT SUM is based on Budget. Each IT SUM entitlement is equal to \$1 million US Dollars

- Annual Enterprise Spend Under Management or “Enterprise SUM” is the total annual non-IT

Operating Expenses managed by the Cloud Service during the applicable twelve (12) month period. The Cloud Service may be used to manage Client' s non-IT enterprise spend on shared services (i.e. enterprise spend on shared resources such as legal, facilities, communications, human resources, etc.). For Public Sector, Enterprise SUM is based on Budget. Each Enterprise SUM entitlement is equal to \$1 million US Dollars.

- Authorized User is a unique user authorized to access the Cloud Services in any manner directly or indirectly (for example, through a multiplexing program, device or application server) through any means.
- Instance is each access to a specific configuration of the Cloud Services.

Additional Terms

For Cloud Service Agreements (or equivalent base cloud agreements) executed prior to January 1, 2019, the terms available at <https://www.ibm.com/acs> apply.

Verification

Client will i) maintain, and provide upon request, records, and system tools output, as reasonably necessary for IBM and its independent auditor to verify Client' s compliance with the Agreement,

and ii) promptly order and pay for required entitlements at IBM's then current rates and for other charges and liabilities determined as a result of such verification, as IBM specifies in an invoice. These compliance verification obligations remain in effect during the term of the Cloud Service and for two years thereafter.

Definitions

- **Operating Expenses (OpEx)** - all amounts characterized as expenses by Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS). These are expenses that are represented on a company's income statement (not balance sheet) in a given period. It excludes capital purchases made during the period but includes the in-period depreciation and amortization related to capital purchases made in current or prior periods.

Limitations with Enterprise SUM

Client's use of IBM Apptio EBM Costing, IBM Apptio EBM Billing, and Apptio Planning for Enterprise SUM is also subject to the following, in part to help ensure its proper functioning:

- Data volume loads in excess of 5 million rows per month will be approved in advance by Apptio Customer Engineering (ACE).
- Any reporting at a level of granularity/cadence more frequent than yearly, quarterly or monthly (e.g. weekly or daily) will be approved in advance by ACE.
- Manual data entry where end users modify data, will be approved in advance by ACE.
- Documentation for the solution is written for IT use cases and offering and may not fully contemplate non-IT usages.

Overriding Terms

Data Use

The following prevails over anything to the contrary in the Content and Data Protection section of the base Cloud Service terms between the parties: IBM will not use or disclose the results arising from Client' s use of the Cloud Service that are unique to Client' s Content or that otherwise identify Client. IBM is permitted to use Client Content and other information that results from Content to provide, improve, manage, and secure the Cloud Services, and including for research, testing, and offering development purposes. In addition, IBM may use, modify, sublicense, and distribute Client Content and other information that results from Client Content for its business purposes provided such Client Content is aggregated with content from other customers and no longer contains any Client identifiers (so that the Content can no longer be attributed to Client without the use of additional information) and, provided, further that any Content subject to applicable privacy regulations will be rendered into a form that no longer constitutes personal data (i.e., removing identifiers so that Content can no longer be attributed to a specific individual). IBM may share threat identifiers and other security information embedded in Client personal data for threat detection and protection purposes. The provisions of this section will survive the termination or expiration of the transaction.