

UNIVERSITY OF HAWAII
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

Purchase Order No. / Contract No. C080077

Name of Contractor: Cognos Corporation

Description of goods, services, or construction:

Purchase of Cognos 8 Business Intelligence (BI) Names User/Intranet Consumer License for 63 named users.

The scope of work for the contract is revised as follows:

To upgrade Cognos 8 Business Intelligence (BI) Names User/Intranet Consumer License from 63 named users to the Cognos 8 BI Consumer Extranet Anonymous Users License for unlimited users.

Original Contract Price: \$ 172,461.00

Amended Contract Price: \$ 263,280.00

Direct any inquiries to:

Department: Institutional Research Office

Contact Name/Title: Sharyn Nakamoto, Director

Address: 1633 Bachman Place, Sinclair Annexes
Honolulu, HI 96822

Phone Number:

956-7532

Fax Number:

956-9870

Date Posted: October 22, 2008

Submit written objections to this notice of intent to amend a procurement exemption contract within seven (7) calendar days from the date posted to:

Office of Procurement and Real Property Management
1400 Lower Campus Road, Room 15
Honolulu, Hawai'i 96822

REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

TO: OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT

FROM: Institutional Research Office

(Department/Program)

Pursuant to APM Section A8.220, the Department requests an amendment to a contract issued under a previously approved procurement exemption.

Purchase Order No./Contract No. C080077

Name of Contractor: Cognos Corporation

Description of goods, services, or construction:

See attached.

Original Contract Price: \$ \$164,700.00 Amended Contract Price: \$ \$263,280.00

(1) The scope of work for the contract will be revised as follows:

See attached.

(Attach Additional Sheets if Necessary)

(2) Explanation of the reasons that the amendment is necessary:

See attached.

Direct questions to: Sharyn Nakamoto, Director IRO Phone: 956-7532

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Sharyn Nakamoto, Director IRO

Full Name of Principal Investigator, Department Head, or Administrator


Signature

10/15/08
Date

Blanche Fountain

Full Name of Fiscal Officer


Signature

10/16/08
Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

The request for procurement exemption to purchase the original
Cognos software was approved in January 2008 (see attached).

Recommending approval of this request to amend that contract to
upgrade the software.

/ APPROVED _____ DENIED


PRESIDENT, UNIVERSITY OF HAWAII

11/10/08
DATE

UNIVERSITY OF HAWAII
REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT
(ATTACHMENT)

Description of goods, services, or construction:

The University is requesting an amendment to Contract No. C080077 to upgrade the Cognos 8 Business Intelligence (BI) Named User/Intranet Consumer License (63 named users) to the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users).

(1) The scope of work for the contract will be revised as follows:

Contract shall be modified to upgrade the Cognos 8 BI Named User/Intranet Consumer License (63 named users) to the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users), and the terms and conditions set forth below shall be added to the contract:

Definitions and Restrictions:

1. "Extranet" means use of the Software on the Licensed Server licensed to allow (i) third party users to view data supplied by Licensee, solely in conjunction with a detailed Licensed Application, and (ii) a reasonable number of Licensee's employees as users to access the Software solely to support the detailed Licensed Application. Licensee shall only use the Software to process data provided by Licensee and shall not be made available to third parties to process third party data and Licensee shall not use the Software as a service bureau, application service provider or profit center/reseller of software, data or other services.
2. "Licensed Server" means that Licensee shall have the right to deploy the corresponding Software on a single machine with up to two microprocessors, with no more than two cores per microprocessor, through which Licensee is authorized to deploy separately licensed corresponding Anonymous Users.
3. "Anonymous Users" means that Licensee can allow authorized users to access the corresponding Software, deployed solely through the Licensed Server(s) in conjunction with the Licensed Application, as needed, without regard for the number of such users.
4. "Licensed Application" means that Licensee shall only be authorized to deploy the Software in conjunction with the University of Hawaii Management Information Application.
5. "University of Hawaii Management Information Application" is an application that analyzes student, financial, budget, human resources and related data on

Licensee's students, courses, personnel, finances and related data which is then broken down into selected categories.

6. "BI Consumer" license means Licensee may permit the specified number of authorized users to: (i) access through Cognos Connection Portal to select reports, view reports and set personal preferences (for languages, time zones etc.); and (ii) run and schedule reports created by a licensed Cognos BI Studio module, interact with prompts, output the reports to other formats such as PDF and CSV, subscribe to a scheduled report, create and manage report folders and portal pages and use the Cognos Connection Portal to create and consume portal pages, including use of all of the portlet types provided with Cognos Connection, personalize standard reports, and receive Event Studio notifications and use the Cognos Go! Office module; and Licensee will configure the Software to ensure that those users are restricted from using any other Software functionality.

Fees/Payment Terms:

License Fee*: \$98,580.00
*First Year Support Services included.

Payment Terms: Net 30 days from the date of invoice.
Shipping and tax not included.

Related Documentation:

Licensee shall receive one (1) copy of Related Documentation for each Software item licensed hereunder. Licensee has the right to make extra copies of Related Documentation up to the number of copies licensed; provided Licensee reproduces all proprietary right notices which appear on the original version of Related Documentation.

Additional Terms:

1. Licensee understands that the terms set forth in this Order Agreement, including, but not limited to, the licensing and pricing terms, are Cognos Confidential Information, and Licensee may not disclose such terms to any third party, including a third party acquiring or acquired by Licensee by merger, consolidation or otherwise without Cognos' prior written consent.
2. The annual Support service fee for standard support services for the annual support service term beginning one year from the Support Commencement Date for the Software licensed hereunder shall be 16% of the fees set forth in Section 3 above. For the next two consecutive annual terms of paid support services thereafter, the annual Support services fee for the Software licensed hereunder may not increase by an amount in excess of the percentage increase in the Consumer Price Index for the immediately preceding year.

3. Use of the Software shall only apply to Licensee as identified above and its Affiliates as constituted of the Effective Date. Use of the Software shall not extend to any other Licensee Affiliate which becomes part of Licensee after the Effective Date. Further, use of the Software shall not extend to any other entity, department or division (the "Acquiring Entity") which acquires or merges with the business of Licensee by way of consolidation, reorganization or otherwise ("Acquisition"). In such an event, the Anonymous User license licensed hereunder shall revert to a Server Named User license limited to the actual number of copies or users of the Software deployed within Licensee immediately prior to the time of such Acquisition and Licensee's or such Acquiring Entity's right to use such Software shall be limited to such Server Named User license. A "Server Named User" means an individual who is authorized by Licensee to use the specified Software, whether or not that individual is logged on to that Software.

(2) Explanation of the reasons that the amendment is necessary:

- A. The proposed purchase of the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users) builds upon the first phase of acquisition that began in January 2008. The University purchased the Cognos 8 BI Named User/Intranet Consumer License (63 named users) for the initial development of the enterprise-wide reporting system for the University.

The University is ready to enter into the second phase of development of its enterprise-wide reporting system. By acquiring the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users), the reports created and generated by the University's enterprise-wide reporting system will now be made accessible to an unlimited number of users within the University system. The entire Cognos Business Intelligence Suite will serve the entire University system as a toolset for advanced information management and presentation, data modeling, and distribution of University reports.

- B. Compatibility issues require the University to upgrade the Cognos software currently in place. Because the University is generating reports through the Cognos software, this upgrade will provide a broad-based access to the University system in a cost effective manner. Purchasing another advanced business intelligence tool with multiple user access would require additional hardware purchases, new installation, re-configuration of reports, and additional training, all of which would be cost prohibitive to the University. In addition, the University would be faced with maintaining and paying for licensing fees on different software products with similar functionalities. This would virtually double the cost to the University and increase the amount of human resource hours required to sustain different software products.
- C. Reporting and disseminating of information in the areas of student enrollment, finance, human resources, and budget are mission critical to the University. It is essential that our senior executive management and Board of Regents, campus management, staff, and faculty have access to toolsets that leverage the power of information and engender timely action. For example, the University has targeted

Strategic Outcomes and Performance Measures which monitors system and campus strategic outcomes relative to goals as one of the high priority Business Intelligence projects. This project must be freely and widely accessible to the broadest possible range of University constituents. The Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users) will enable all University faculty, staff, and students to access appropriate Cognos-based student, finance, and human resources prompted reports, dashboards, and charts. Selected Cognos reports will also be made "public" and accessible to the general community.

- D. Cognos licenses must be obtained from Cognos or its licensed resellers. Resellers may offer discounts up to 34% off of retail price but any further discounts must be approved directly by Cognos. Cognos is offering a 47% discount off of its retail price to the University. Therefore, Cognos licensed resellers are unable to compete directly with Cognos.

In addition, if the University were to purchase additional individual Cognos 8 Business Intelligence (BI) Named User/Intranet Consumer Licenses at the current contract rate, the University would only be able to purchase an additional 246 individual licenses. At \$400 per license (discounted 50% of retail), the total cost for an additional 246 licenses would be \$98,400. This is comparable to the amount that the University will pay to upgrade to the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users) (\$98,580). Purchasing of an additional 246 individual licenses would only allow access for 3% of the 7,362 full time faculty and staff in the University system as of October 1, 2008. This will severely limit the accessibility of the Cognos system and jeopardize the University's enterprise-wide reporting system. It should be noted that effective January 31, 2009, the University will lose its 50% discount for the individual licenses and may be forced to pay \$800 per license rather than the current \$400 per license price.

Lastly, it should be noted that the 47% discount for the upgrade to the Cognos 8 BI Consumer Extranet Anonymous Users License (unlimited users) is available only until December 31, 2008. Effective January 1, 2009, a new pricing structure will be in effect and the University's discount will drop to 30%. As a result, the purchase price will increase from \$98,580 to \$130,200.