

VMware Volume Purchasing Program

Program overview

The VMware Volume Purchasing Program (VPP) provides incremental, tier-based discounts for VMware customers over a rolling two-year period.¹ VPP also offers online tools that VMware customers and their authorized affiliates can use to track and manage VPP memberships and discounts.

Key benefits

- Receive financial incentives when you purchase VMware products in volume with discounts on eligible license products
- Simplify your acquisition of VMware software through a standardized purchasing program

Key features

- Discount levels are earned automatically based on purchase volumes
- Easy-to-use online portals track eligible discounts
- Globally consistent program rules allow discount sharing between customers and their affiliates

Table 1: VPP discount levels²

LEVEL	POINT RANGE	DISCOUNT
1	250–599	4%
2	600–999	6%
3	1,000–1,749	9%
4	1,750+	12%

Membership enrollment

To receive VPP benefits, it is important that you provide your VPP membership number when placing your order.

Table 2: Summary of VPP features

POINTS	
Entry Threshold	250 points minimum
Minimum Subsequent Purchase	None
Point Roll-Off	Points earned in a given quarter will roll off the accumulated total on the first day of the ninth quarter ³

1. U.S. federal customers are eligible to receive volume discounts using their current program.

2. Discounts are calculated off VMware published, then-current, local MSRP values.

3. VMware follows a fiscal calendar and a quarter represents a fiscal quarter. For details, please refer to Table 5.

DISCOUNTS	
Discount Levels	Four discount levels ranging from 4–12% for point values ranging from 250 to more than 1,750 ⁴
Discounts Available On	License only
ELIGIBILITY	
Customers Who Can Participate	All customers ⁵
Partners Who Can Participate	Corporate reseller; global system integrator; OEM corporate reseller; and premier and enterprise level of the following: solution provider, system builder, and technology provider partners
Products That Contribute to Point Totals	Most VMware products and services except renewals
MEMBERSHIP INFO	
Membership Timeframe	Never expires, but a customer may be a VPP member with no active discounts in place ⁶
Affiliate Benefit	Qualified affiliates can share accumulated VPP points and earned discounts ⁷
ONLINE TOOLS	
Configurator	Online tool that helps a customer or partner determine eligible discounts and the appropriate VPP-eligible products to use on a PO
Points Portal	Online portal where an enrolled VPP customer or named partner can log in to view their accumulated points total and eligible discount level

4. VPP discounts are directly correlated to a customer's accumulated points total. As the accumulated points total changes, so may the eligible VPP discount level.

5. U.S. federal customers are eligible to receive volume discounts using their current program. Academic SKUs are not eligible for VPP.

6. VMware reserves the right to retire a VPP membership number if no initial purchases have been made against this membership number for two years.

7. The following criteria must be met to determine whether an affiliate is eligible to join a pre-existing VPP membership: The affiliate is at least 50 percent owned by the parent; the affiliate utilizes the purchasing department of the parent company to purchase VMware product licenses; and the affiliate does not publicly trade on any stock exchange under their own stock ticker symbol.

Program definition

Customer eligibility

Any VMware customer who is an existing VPP member with a valid VPP membership number is eligible.⁸

Partner eligibility

Provided they are in good standing and are purchasing VMware branded products through a VMware authorized distributor, the following partner types may offer their eligible customers the benefits of VPP: corporate reseller; global system integrator; OEM corporate reseller; and premier and enterprise level of the following: solution provider, system builder, and technology provider partners.

VPP memberships are for end customers only. Distributors and resellers are restricted from using VPP to order products for internal consumption.

VPP changes post-launch of the VMware Customer Purchasing Program

The following key changes are being made to VPP with the launch of the VMware Customer Purchasing Program, which replaces VPP:

- VPP is available for existing VPP customers only.
- Effective May 6, 2019, there will be no new enrollments in VPP.
- VPP discount levels are frozen as of May 6, 2019.
- No points will be accumulated from future orders.
- VPP points will continue to roll off as is.
- The new Customer Purchasing Program will be the only option for all VPP L1 to L3 customers starting on February 1, 2020 and for all VPP L4 customers starting on February 1, 2021. (This is not applicable to ELA customers who get their discount grants through an ELA.)

Product eligibility

Most VMware license and Support and Subscription (SnS) products, except renewals, contribute toward customer qualification in VPP. However, VPP discounts are only applied to the license portion of a customer's purchase. Services and SnS renewals are excluded from discounting under the program.

Points

VMware has established and maintains a VPP point value for each available and eligible VMware product. For most products, one VPP point is roughly worth USD \$100 or a similar amount in local currency. Point values may vary. The list of products and points can be found using the VPP configurator. Points cannot be redeemed for VMware products or services.

The point value of a given product is the same across all geographies. Points are rounded up to the nearest whole point. Points may deviate from our guideline for promotions.

For example, VMware vRealize® Suite 2018 Standard is worth 39 VPP points no matter where, or in what currency, the product was purchased.

Minimum purchase requirements

To qualify for a VPP discount, a minimum subsequent purchase of 250 points or greater is required. Once a VPP customer has qualified for a VPP discount and maintains a minimum balance of 250 points, there is no minimum follow-on purchase requirement.

⁸ U.S. federal customers are eligible to receive volume discounts using their current program.

Discounts

Discounts are only offered for the license portion of the purchase. There are four levels of discount for which VPP members may qualify. As shown in Table 1, Level 1 represents the entry-level discount, with Level 4 representing the highest level of discount offered in VPP.

How points translate to discounts

To qualify for discounts, a VPP member must submit a PO worth 250 points or more. The points earned on this initial order will determine the first VPP discount level for which the customer is eligible.

Table 3: Example of discount qualification

PURCHASE DATE	POINTS	TOTAL POINTS	DISCOUNT LEVEL
2/5/2017	500	500	1

Point roll-off

Starting with and including the quarter of the purchase date, earned points will roll off the accumulated total on the first day of the ninth quarter. Points are valid for up to eight quarters. After this time, earned points will roll off the accumulated total. Each set of earned points rolls off on their own time schedule.

Table 4: Example of a point roll-off

PURCHASE DATE	POINTS	TOTAL POINTS	DISCOUNT LEVEL	POINT ROLL-OFF DATE
2/5/2017	500	500	1	2/2/2019

Roll-off schedule

Table 5 shows the date on which VPP points roll off. For example, purchases made from February 4, 2017 to May 5, 2017 will roll off on February 2, 2019.

Table 5: Point roll-off schedule

VMWARE FISCAL QUARTER	PURCHASES MADE DURING	ROLL-OFF DATE
FY18Q2	4/1/2015 to 6/30/2015	5/6/2017
FY18Q3	7/1/2015 to 9/30/2015	8/5/2017
FY18Q4	10/1/2015 to 12/31/2015	11/4/2017
FY19Q1	1/1/2016 to 3/31/2016	2/3/2018
FY19Q2	4/1/2016 to 6/30/2016	5/5/2018
FY19Q3	7/1/2016 to 9/30/2016	8/4/2018
FY19Q4	10/01/2016 to 12/31/2016	11/3/2018
FY20Q1	1/1/2017 to 05/05/2017	2/2/2019

Affiliates

VPP customers may add their affiliates to their membership to utilize and benefit from their organization's discount level and global purchasing power.

Affiliates may become part of an organization's VPP membership, but these affiliates' software use is limited to the country where they have been invoiced for the purchase of the software. However, if the affiliate has been invoiced within any of the European Union member states, the affiliate may deploy the software in any of the member countries.

To join a VPP membership, an affiliate must satisfy all of the following criteria:

1. The affiliate is at least 50 percent owned by the parent.
2. The affiliate utilizes the purchasing department of the parent company to purchase VMware product licenses.
3. The affiliate does not publicly trade on any stock exchange under their own stock ticker symbol.

VPP SKUs

A SKU is a number or string of alpha and numeric characters that uniquely identify a product. VMware provides VPP SKUs to our channel partners that will facilitate the PO process when using VPP. VPP SKUs are available for most VMware license products and must be used on a PO to qualify for VPP discounts when ordering VMware license products. Partners and customers can use the VPP configurator tool to determine the appropriate SKUs for a given customer's order.

Audit

VMware reserves the right to audit at any time the membership status of any customer or affiliate, and reserves the right to reject or request a refund of any benefits provided to such unauthorized companies when the stated criteria is not met.

Discount flow

VMware does not set final prices or payment terms for licenses acquired through its resellers. Final prices and payment terms are determined by the agreement between the customer and its reseller. VMware is not accountable if a reseller chooses not to pass on the VPP discount. VMware is not accountable if an order is submitted with an incorrect VPP membership number and the customer does not receive the appropriate points. VMware reserves the rights to change the terms and benefits of the membership at any time, for any reason.

Tools

Points Portal – Online portal where a VPP member can log in to view their accumulated points total, eligible discount level, and all contact information for the customer, affiliate, and partner contacts. Customers can provide points portal access to contacts within their company and to their preferred partner(s). The points portal is accessible to VPP members at vmware.com/go/vpp.

Configurator – Online tool that combines points from a customer's current accumulated points total to determine eligible discounts and the appropriate VPP SKUs to use on a PO. The configurator is accessible to VPP members via the points portal.

Policies

Mergers and divestitures

In the case where two VPP customers merge, the newly merged company will inherit the higher of the discount levels and points. VMware will not sum the accumulated points from each membership. In the case where two VPP customers undergo a divestiture, two new VPP memberships may be created assuming other program criteria are met. VMware will work with the Primary Membership Administrators to determine resulting VPP points for each membership. Discount levels pre-divestiture may be maintained for a period of one year post-divestiture.

When points are reflected

Following the submission of an order from a VPP customer, any newly generated VPP points will be reflected on the customer's points portal within 72 hours.

Purchase order requirements

To expedite VPP orders, the following information is required to be present on the PO:

1. VPP membership number and VPP approved customer name
2. If the entity placing the order is an affiliate, please confirm that the affiliate has permission to use the membership number
3. VPP license SKUs (if applicable) at the correct and uniform discount level

Minimum purchase requirements

To qualify for a VPP discount, a minimum purchase of 250 points or greater is required. As long as a VPP customer maintains a balance of at least 250 points in their points portal, there is no minimum reorder size.

Minimum accumulated point total

VMware does not maintain accumulated points totals that fall below 250 points. A VPP member whose accumulated points balance falls below 250 points does not qualify for a VPP discount. In this case, this customer must submit a PO worth 250 points or more to requalify for VPP discounts.

For more information

To find out more about VPP, please visit vmware.com/go/vpp or locate an authorized VMware partner near you at <http://partnerlocator.vmware.com/>.

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