

Outsourcing Vendor Z

Indicative Proposal for Customer X

To provide Facilities Management
Services

Consulting Clo

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1. EXECUTIVE OVERVIEW

1.1. Background

This proposal is indicative only and is based on information supplied by Customer X to Outsourcing Vendor Z (Z).

The purpose of this Indicative Proposal is to give Customer X enough information to establish if Facilities Management of the SAP IT infrastructure is a viable option. If this Indicative Proposal is acceptable in principle, a detailed study (due diligence) will be performed by Z technical and operations staff. This audit will require Customer X to allocate time with Z technical staff to confirm the technical, communications, and operational requirements of your business. Once complete Z will supply Customer X a firm, fixed price proposal.

1.2. Facilities Management Drivers for Customer X

It is our understanding that Customer X is looking at outsourcing as a strategic view to free resources to refocus on core business competencies. Outsourcing SAP support and associated infrastructure management will give Customer X a long term strategic IT partnership to run its critical business IT support requirements.

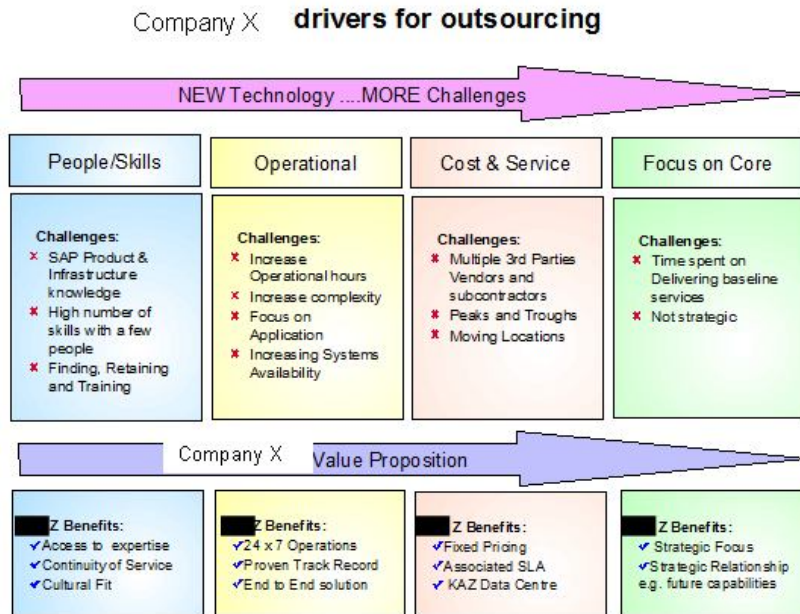
Customer X is looking for an IT partnership that provides 24 x 7 SAP applications hosting and support services with operations and management of its SAP infrastructure. Customer X is looking for a long term partnership that can provide a solution with scalability, flexibility and a working relationship that will deliver a high level of service back to the business.

In addition, while an “apples for apples” comparison is sought for outsourcing it is also acknowledged that outsourcing to Z as its infrastructure partner will provide the following benefits for Customer X:

- 1. Future Requirements as your Infrastructure Partner** – Customer X currently relies on multiple vendors to access different skills across the different technologies. Customer X's has identified future projects to investigate LAN/WAN management and support, support desk services, and desktop support. Z has a successful track record of providing these services to many of our clients. This will provide Customer X with a partner who can grow with Customer X's business.
- 2. 7 x 24 fully managed environment** - which means that your systems are being physically monitored and managed at all times. This greatly improves the speed of response to any emergency as we have operations staff physically on site at all times who are able to escalate issues at a moment's notice. This will benefit Customer X's 24 x 7 environment.

3. **Guaranteed Availability**– The agreement will ensure service levels quantify the provision of IT services to Customer X's business. Service Levels will guarantee availability of the systems, and ensure that the costs of delivering IT are predictable. The service levels commit Z to high performance and therefore redundancy.
4. **Proven Track Record with Z** – Z provide similar services in managing the infrastructure, operations and applications support for a number large logistics and distribution clients.
5. **Research & Development** – Z has invested in a dedicated research and development group. This group is responsible for leading edge product review and evaluation as well as “thought leadership” in the IT industries leading edge technologies. Examples of current projects include streamlining business processes through advance use of SMARTPHONES. Provision of application development framework, provision of online SLA reporting and automation of data capture from monitoring tools, data warehousing, and intelligent data mining.
6. **Market Strengths** – it is acknowledged that the IT companies in Australia are cutting back with resources at the moment. Consequentially skills are being lost. Z is actively growing and recruiting, we have grown from a company of 300 to 1300 in the last 18 months. Z is attracting the best in the industry.
7. **Moving offices and Relocating Customer X's critical Systems**– Customer X is committed to moving offices and therefore relocating its computer systems. Working with Z as your infrastructure partner brings the benefit of an IT partner that has strong capabilities in relocating, housing and managing critical systems in a controlled and robust environment. This may eliminate some cost associated with building a computer room at the new premises as Customer X can leverage off the Z state of the art data centre.

1.3. Value Proposition



1.5. Approach

Z can deliver your requirements very quickly once acceptance of the indicative proposal is received. Z will perform due diligence (a detailed study) with Customer X to understand the knowledge transfer necessary in order to deliver the required service. This will also enable Z to understand how the current service levels are achieved and allow both parties to agree on desired service levels to form the new agreement. Once this stage has been completed a final proposal can be tabled.