



Gartner Middle East - Comset Ltd.
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ב"ט
ר"ט סיון תשס"א

10 June, 2001

To: - Mr. Nachman Oron - Ministry of Finance (Accountant General)

Fm: - Michael Wilmot - GartnerGroup Middle East - Comset

This offer is valid until 31st August 2001.

Subject: - **Draft of Special Umbrella Agreement for Gartner Core Research.**

Dear Mr. Oron,

It is with pleasure that we submit this draft offer for a special multi-year umbrella agreement for Gartner Core Research for the Ministry of Finance - Accountant General.

It is proposed that this agreement be the framework for Gartner's Core Research for all Government Ministries and Agencies (with the exception of the Ministry of Defence).

It is intended that all Government clients be migrated immediately to the new Gartner Core Research program. Most Government clients are still licenced for the old, traditional Gartner RAS services based on each client paying for a specific portfolio of individual research programs.

Very significant changes have occurred in the Information Technology and Business Technology environment over the last 18 months due to the impact of the Internet, e-business and enterprise applications on our clients' organisations and their businesses.

As a result our previous model for delivery of Gartner Research and advisory services is no longer satisfactory to our clients who need access to a very broad range of research.

Increasingly our client found themselves very limited in their access to research on our web site or via CDROM and in their access to the Gartner analysts, due to their membership licences which were limited to the specific research programs those clients had selected to meet their budgets.

Gartner therefore introduced the Gartner Core Research in June 2000 that opens up all the Gartner qualitative research to all its clients and permits separately priced packages of quantitative research in the form of Gartner's Dataquest Clusters to those clients who need detailed "drill-down" market statistics.

Gartner Core Research is an innovative and robust offering that provides for unparalleled access to the industry's most powerful and insightful research, market intelligence and advisory services. It is a user-based program combining the power of Gartner's Research and Advisory Services (RAS), Dataquest and Datapro's research programs.

This combination provides clients with a most comprehensive and powerful research offering to enable them to deal with their Information Technology and Business Technology issues.

The new Gartner Core Research framework provides Gartner's Government clients with formal access to all Gartner analysts and all qualitative Gartner research on the web. (more than 300 separate research programs and access to more than 900 analysts). This is more than 30 times more information access than is currently licenced by these clients.

Gartner is the world's leading independent provider of research and analysis to business professionals making IT decisions. With more than 1,400 analysts and consultants in 80 locations worldwide, Gartner provides more than 11,000 client organizations and 35,000 client interfaces with timely, strategic advice on IT.

Benefits of the Gartner Core Research

- Access to all qualitative research from Gartner Group
- Access to all Gartner analysts (about 900), the world's thought-leaders on Information Technology and Business technology issues
- Maximum flexibility with Gartner's unparalleled breadth and depth of research
- No more need to predict your research issues/needs for research
- No more need to swap services
- Easy un-metered analysts enquiry via email or telephone conference call
- Proactive "push-mode" delivery of profiled research
- A rolling 24 months of research (currently about 30,000 documents)
- You get what you need, when you need it

1.. Scope of the umbrella agreement.

This special umbrella agreement covers all Israel Government Ministries and direct Government Agencies (not including the Ministry of Defence and Military Units) use of Gartner's continuous Research and Advisory services.

The agreement addresses the fees to be paid by those Ministries and Agencies for: -

- Named-user Advisor and Reference seats on the Gartner web site
- International Symposium tickets
- International Theme Conference tickets
- Local annual conference tickets
- Local briefing conference tickets

2.. Exclusions from the umbrella agreement.

This agreement does not cover The Ministry of Defence and Military Units, Local Government/Local Authorities nor Government -owned companies.

It does not cover Gartner Custom Consulting services nor Gartner Measurement or Benchmarking services, nor does it cover fees for Gartner's Benchmarking Services and Gartner's Vendor Selection tools and Modeling tools. These services will be provided as required at the then prevailing fees.

3.. Current investment in Gartner Research and Advisory Services.

The following table shows: -

- a) The annual investment in Gartner Research and Advisory Services by those Government Ministries and Agencies who are currently Gartner clients = approximately \$300,000 per year and
- b) Those Government Ministries/Agencies which have approached Gartner recently with an interest in receiving Gartner services, with estimates as to the annual fees for the first named-user seat for each client. The table does not include Ministry of Defence clients.

Note that the following are already members of Gartner Core Research: -

- Ministry of Education
- Ministry of Foreign Affairs
- Prime Minister's Office
- SHAAM



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Current client unit	Current annual investment in \$K	Actual contract annual value in \$K. i.e. not including multi-year discounts	Current advisory named user seats	Current reference named-user seats
Ministry of Finance	\$49	\$55		
Ministry of Education	\$40	\$42	3	
Ministry of Foreign Affairs	\$22	\$22	1	1
Prime Minister's office	\$24	\$24	1	1
Ministry of Health	\$27	\$30		
Ministry of Trade and Industry	\$15	\$15		
Bank of Israel	\$19	\$21		
National Insurance institute	\$45	\$50		
SHAAM	\$14	\$15	2	
Israel Lands Authority	\$9	\$9		
International Conference Ticket	\$20	\$20		
TOTAL	\$284	\$303		
<u>New demand requests</u>	Estimated annual fee for initial seat			
	Reference - Advisor			
Police	\$8 - \$13.5			
Ministry of Labour	\$8 - \$13.5			
Ministry of Justice	\$8 - \$13.5			
Ministry of Communications	\$8 - \$13.5			
Ministry of Science and Technology	\$8 - \$13.5			
Ministry of the Interior	\$8 - \$13.5			
The Knesset	\$8 - \$13.5			
Directorate of the Courts	\$8 - \$13.5			
Ministry of Housing	\$8 - \$13.5			
Ministry of Transport	\$8 - \$13.5			
Broadcasting Authority	\$8 - \$13.5			

5. Gartner qualitative research

All Gartner's qualitative research is included in Gartner Core Research and accessible to all Core Research client. See Appendix #A, #B and #C for the areas covered by Gartner's qualitative research.

Gartner Core Research delivers Gartner's qualitative research in the form of: -

Perspectives	Detailed analysis of products, markets, technologies and competition
Alerts	Event-driven bulletins addressing each of the Information Technology, Business Technology and Telecom markets
Research Briefs	Strategic and Tactical analysis of the latest research findings in the Information Technology, Business Technology and Telecom markets
Telebriefings	Audio-conferences on the findings of the latest market developments
Newsletters	Industry-focussed newsletters providing up-to-the-minute analysis on the top stories in the Information Technology, Business technology and Telecom markets, capturing recent announcements and the potential impact on the market
Gartner Dataquest Market Databook	Top-level IT, BT and Telecom spending market data by region and regional spending by segment, including top-level country-level data
Executive summaries	Top-level analysis and recommendations from Gartner's Dataquest Cluster research reports
Guides	An overview of the research methodology as it pertains to vendor based research, user-based research and market forecasting for each of the IT, BT and Telecom market segments

6.. Gartner quantitative research via Gartner Dataquest Cluster research programs

Gartner's Dataquest Cluster research is quantitative research that provides a deeper level of analysis that is of specific interest to technology suppliers or service providers that are actively involved in the sector covered.

Currently the only Ministries/Agencies which should be interested in receiving such detailed market statistics and forecasts are the Telecommunications Supervision Group in the Ministry of Finance - Accountant General and the Ministry of Telecommunications.

Gartner Dataquest Cluster research is available only as optional, separately priced, "snap-on" modules to Gartner Core Research.

Cluster research is delivered via Gartner Core Research in the form of: -

Statistics: Forecast and Market Share	Detailed five-year market/product growth forecasts and detailed market share estimates, with historical year-to-year market size comparisons, identify the market leaders and the products/services that are driving the market
Market Trends	Market Trend reports analyze the key market events and product technology trends to present an overall analysis of the competitive landscape for the market
User Studies	User surveys and analysis specifically designed to understand the end-user purchasing behaviour and intentions, attitudes and awareness toward specific markets, products or services
Gartner Dataquest Market Databook	IT spending and growth across the IT industry by region and technology segments. Includes country constituents and primary submarket segment level for strategic business planning (annual)

7.. Annual fees for Cluster research

Annual fees for Worldwide Clusters	=	\$50,000 each
Annual fees for Regional Clusters	=	\$35,000 or \$20,000 depending on program
Annual fees for Themed Clusters	=	\$50,000 each

See the appendix 'D' for descriptions and pricing of individual Clusters.

8.. Current Core Research pricing for existing Government clients

Government clients that have already migrated to the new Gartner Core Research pay annual fees as follows:-

Each Advisor named-user seat = \$13,500 (includes one international Theme conference ticket)

Each Reference named-user seat = \$ 8,000

Under the proposed special Umbrella agreement Government clients will enjoy substantial discounts for named-user seats licenced after the initial Advisor and Reference named-user seats.

9.. Options for the special umbrella agreement

We are offering two different options for a special umbrella agreement.

- a) Each Government Ministry or Agency purchases its own licences
- b) The Ministry of Finance will take a minimum commitment for the period of the agreement

9a.. Each Government Ministry or Agency purchases its own licences

Under this special umbrella agreement the following annual fees will apply, based on a minimum three-year commitment.

9a.1.. Named users seats on Gartner Core Research for current Core Research clients

Additional Advisor named-user seat	\$ 8,500 (see note #1)
Reference named-user seat	\$ 4,500

9a.2.. Named users seats on Gartner Core Research for Non-Core Research clients and New clients

1 st Advisor named-user seat	\$13,500 (see note #1)
1 st Reference named-user seat	\$ 8,000 (see note #2)
Additional Advisor named-user seat	\$ 8,500 (see note #1)
Additional Reference named-user seat	\$ 4,500

NOTES:-

#1 - Each Advisor named-user seat includes one free International Theme Conference ticket per year of membership licence.

#2 - Each Advisor or Reference named-user seat includes one ticket that can be used for the local international annual (EMAC) conference or for two, local one-day briefings/conferences.

9b.. The Ministry of Finance will take a minimum commitment for the period of the agreement.

Under this option, if the Ministry of Finance (Accountant general) agrees to a minimum annual commitment, to Gartner, of either 50 named-user seats or 100 named-user seats on Gartner Core Research, according to the following table (Total ANNUAL fee) for either 2, 3, 4 or 5 years, then the fees for additional advisor and reference seats will be as shown in line items Price/Additional Advisor seat and Price/Additional Reference seat.

The Ministry of Finance (Accountant General) can decide how much it wants to "charge-back" to the Government clients, as it sees fit.

Minimum Commitment table					
		Period of Agreement →			
		2 years	3 years	4 years	5 years
50 seat level (15 Advisor, 35 Reference)					
Total ANNUAL fee		285,000	270,750	263,625	256,500
Advisor seats		127,500	121,125	117,938	114,750
Reference seats		157,500	149,625	145,688	141,750
Price / Additional Advisor seat ##	15 advisor seats..	8,500	8,075	7,863	7,650
Price / Additional Reference seat	35 reference seats..	4,500	4,275	4,163	4,050
Average price / seat	Total 50 seats..	5,700	5,415	5,273	5,130
100 seat level (25 Advisor, 75 Reference)					
Total ANNUAL fee		450,000	427,500	416,250	405,000
Advisor seats		187,500	178,125	173,438	168,750
Reference seats		262,500	249,375	242,813	236,250
Price / Additional Advisor seat ##	25 advisor seats..	7,500	7,125	6,938	6,750
Price / Additional Reference seat	75 reference seats..	3,500	3,325	3,238	3,150
Average price / seat	Total 100 seats..	4,500	4,275	4,163	4,050



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NOTES:-

- Each Advisor named-user seat includes one free International Theme Conference ticket per year of membership licence. This ticket can be used for the local (Israel) international annual (EMAC) conference or for two, local one-day briefings/conferences.

10.. Additional conference/briefing tickets

Symposium ticket	\$2,500
International Theme Conference ticket	\$1,100
Combined Symposium + International Theme conference ticket	\$3,300
Local one-day conference/briefing tickets	\$ 220
Local international annual conference ticket	\$ 500

11.. Additional benefits for extended term agreement in the case of a minimum commitment as per paragraph 9b, above.

If it is agreed with the Ministry of Finance - Accountant General that the period of this umbrella agreement be for four or five years, additional benefit will be received as follows: -

- A 4-year agreement will credit the Ministry of Finance- Accountant General with 15 (fifteen) additional local conference day tickets OR 6 (six) Gartner International Symposium tickets, per year of the agreement.
- A 5-year agreement will credit the Ministry of Finance- Accountant General with 25 (twenty-five) local conference day tickets OR 8 (eight) Gartner International Symposium tickets, per year of the agreement.



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Gentlemen, we look forward to discussing this offer with you with the intention of completing the migration of all current Government clients to Gartner Core Research under the terms of this offer and to bring the other Government Ministries and Agencies who are not yet Gartner clients under this same umbrella by year end 2001.

With best regards,

Michael Wilmot

Director - Research and Client Support

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Appendices: -

- A. Gartner RAS research / Topics included in Core Research (qualitative research)
- B. Gartner Dataquest research included in Core Research (qualitative research)
- C. Gartner DataPro research included in Core Research (qualitative research)
- D. Gartner Dataquest Cluster Research included in Core Research (quantitative research)
- E. Dataquest Legacy research