

Our Services

Compliance Check & Optimization

Discover your compliance risks and ways to optimize your Oracle license inventory.

Audit Defense

Get expert help at any stage of an Oracle license audit from our team of ex-Oracle auditors.

ULA Service

Get the maximum value out of your ULA throughout its lifecycle – from initial sizing to certification.

Contracts & Advisory

Whether negotiating a contract, virtualizing or doing DR/backup, our advisory service can be tailored to meet any Oracle licensing need.

Redwood Compliance LLC
2225 E. Bayshore Road
Suite 200
Palo Alto, CA 94303
1-888-252-2506
www.redwoodcompliance.com

Understanding the Oracle Unlimited License Agreement (ULA)

Below is a very condensed version of a recent blog post. For the full post, head over to www.redwoodcompliance.com/pro-tip-blog/.

ULAs are designed to give customers a flexible way of deploying Oracle software where growth is anticipated. If properly executed, ULAs can provide cost savings, especially in situations of projected growth.

ULAs allow a customer to use an unlimited number of licenses of certain products that are covered by the agreement for a certain number of years, usually 2 or 3 years. At the end of the term, the customer counts how many licenses it used, and “certifies” the quantities it used – these quantities become the customer’s license entitlement going forward.

For example, a customer may enter a ULA that includes Oracle Database Enterprise Edition and Application Server with a 3 year term. In this case, for a 3 year period, the customer may deploy any quantity of the two products. At the end of the ULA period, the customer has two options:

1. Renew the ULA and carry on as usual.
2. Not renew the ULA. In this case, the customer will count up its usage of Oracle Database Enterprise Edition and Application Server and provide a written certification to Oracle about the quantities in use for each. The customer will continue to pay annual support on the initial ULA quantity.

So what’s the catch? What can go wrong with ULAs? Many things, including the following:

- Firstly, ULAs are not cheap, and are not suitable for smaller customers. If the customer is not experiencing strong growth, the ULA may turn out to be a more expensive option than a straight license purchase.
- Counting up the usage of Oracle software at the end of the ULA term is a significant undertaking. Also, if Oracle is not satisfied with the certification, Oracle LMS may initiate a license audit.
- Underused ULA and lost value. The customer could be locked in with higher support payments and small entitlements post-ULA.
- Customers can end up in a compliance black hole over the ULA term if they are not careful of the products they are using. For example, a customer with DBEE on the ULA may deploy DBEE in an unrestricted manner, but may also be using certain Options/Packs that are not covered by the ULA. Since Options/ Packs must match DBEE licensing, the customer will be surprised by having to additionally purchase the same number of Options/ Pack licenses at the end of the ULA as they certified for DBEE. These unexpected compliance surprises can run into millions of dollars.

In short, ULAs are complicated and not for everyone. Careful consideration and attention to detail is important throughout the ULA lifecycle in order to optimize its value.