



Third-Party Used Cisco Equipment

The other option for customers wishing to purchase used Cisco equipment is through third-party sources. This equipment may be sold "refurbished" or simply "used." An "authorized Cisco reseller" or certified Cisco partner is authorized or certified only to resell new Cisco products.

Cisco resellers wishing to resell used products must comply with Cisco's software licensing policies. Cisco resellers wishing to obtain support from Cisco for used products must also submit their products for inspection by Cisco. Both processes are described below.

Software Licensing Policy

The licenses Cisco provides with the operating system software (IOS® and CatOS™) included in Cisco router and switch products are personal to the first end user to use the product, and may not be transferred by that end user to anyone else. In practice, this means that owners of Cisco products are allowed to transfer, resell, or re-lease only used Cisco hardware-not the software that runs on the hardware. This policy also applies to Cisco standalone software applications.

Therefore, any Cisco hardware products bought used that contain software cannot be legally operated without first purchasing a new software license from Cisco. Refurbished equipment sold through Cisco's Authorized Refurbished Equipment program comes with a valid software license and, therefore, does not require the purchase of a new separate license.

Ordering Software Licenses

Software licenses are easily orderable through distribution (or directly from Cisco if you have an agreement to purchase direct). The Cisco sales team at the distributors will be able to help you order software licenses, which are listed on the Global Price List, and all have part numbers beginning with "LL-".

To learn the details of the program and see software license pricing, go to http://www.cisco.com/warp/public/csc/refurb_equipment/swlicense.html. For any questions, contact your Cisco sales representative or write sw-license@cisco.com.

Third-Party Refurbished Equipment

Cisco has no way of monitoring or assuring the quality of refurbished equipment that is obtained from sources other than Cisco's refurbished equipment program. Therefore, Cisco cannot support equipment that is refurbished by third parties, even authorized Cisco resellers. No reseller-authorized or otherwise-may commit that Cisco will support used or refurbished equipment, except for equipment sold through the Cisco Authorized Refurbished Equipment program. If your company is involved with the sale of used third-party refurbished equipment that requires Cisco software, you are obligated to inform all end users purchasing refurbished Cisco products that they must purchase a new software license for the used product. End users who do not do so are using Cisco products in violation of Cisco's software licensing policy and its intellectual property rights. Software licenses are easily orderable through your standard sales channels (at a distributor or directly from Cisco). All software license part numbers start with "LL". See

http://www.cisco.com/warp/public/csc/refurb_equipment/sworder.html for more details on how to order software licenses.

In addition, if you wish to have third-party used equipment eligible for Cisco service support (such as Cisco SMARTnet support), you will also need to have your equipment inspected, as per the following section.



Equipment Inspections

As a response to the increasing volume of previously owned Cisco equipment in today's marketplace, Cisco is offering existing top-quality support services for customers purchasing this equipment. Although Cisco understands that some equipment may have previously been supported by the company, please be aware that services, warranty, and software licenses are not transferable from one owner to another. Prior to the sale of service support (that is, Cisco SMARTnet support) for Cisco equipment that has been decommissioned, has gone out of warranty, or has been previously owned, Cisco requires an inspection of the equipment to ensure that it has been maintained in accordance with Cisco standards. This inspection comes with a per-chassis fee. After the equipment is confirmed by Cisco as having a valid software license and the equipment has passed Cisco's inspection, the equipment is then eligible for service support, which must be purchased separately.

Setting up the Inspection

Equipment inspections can be set up through the distributor or directly with Cisco (for those resellers who have a direct purchasing relationship with Cisco). After an order is placed with Cisco for an equipment inspection, a Cisco onsite services coordinator contacts the end user to schedule the inspection (end-user contact information needs to be provided at the time of order). The end user should be made aware that the following information will be requested of them prior to inspection:

- Complete inventory of hardware and software
- Confirmation of adequate AC power and workspace
- Serial numbers of all units
- Purchase order for inspection services

(See the Product Inspection Checklist at http://www.cisco.com/dprg/dprg30/html/product_inspect_prep_chklist.doc for more information.)

A minimum of five-business day advanced notice is needed to schedule an equipment inspection. All services will be scheduled Monday through Friday, 9 a.m. to 5 p.m. local time.

Note: The end user must possess proof of a valid software license before ordering an equipment inspection.

Proof of a valid software license can be in the form of:

- A Digital License Agreement (DLA) number
- A Sales Order Number for the stand-alone software license
- A receipt from an authorized Cisco reseller detailing proof of software license

Inspection Fees

The services provided during an equipment inspection are outlined as follows. Check with your distributor or Cisco representative for up-to-date prices.

Note: You will still need to pay the inspection fee even if the equipment does not pass inspection.

Inspection fees include:

- Inspection of all hardware modules
- Inspection of network interfaces
- Basic product diagnostics
- Verification of firmware
- Labor to perform inspection and testing, during standard business hours

Inspection fees do not include:

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- Charges to replace hardware
- Any customization or installation of software
- Upgrades
- Repairs, trouble shooting, or diagnostics

Note that any reseller who is authorized to sell a product technology is also authorized to sell equipment inspections and service support on only that technology. Cisco reserves the right to refuse inspection/service on any equipment that has been discontinued for longer than two years.

Choosing the Appropriate Equipment Inspection Part Number

Equipment inspections are done on a chassis plus component basis. Each chassis, module, port adaptor, etc. to be inspected will need to have their own inspection line item on the order. If the cards only are used, and the chassis is non-used, the customer must still purchase an inspection for the cards. This is regardless of whether the non-used chassis is already under a service contract.

Table 1 outlines the five categories of inspections.

Table 1: Categories of Inspections

OSS-INSPECT-CAT.A (Category A) List Price \$600	OSS-INSPECT-CAT.B (Category B) List Price \$750	OSS-INSPECT-CAT.C (Category C) List Price \$3000	OSS-INSPECT-CAT.D (Category D) List Price \$4000	OSS-INSPECT-CAT.E (Category E) List Price \$7000
List Price of Chassis or Component to be Inspected \$0 - \$9,999	List Price of Chassis or Component to be Inspected \$10K - \$19,999	List Price of Chassis or Component to be Inspected \$20K - \$49,999	List Price of Chassis or Component to be Inspected \$50K - \$99,999	List Price of Chassis or Component to be Inspected \$100K+

Ordering Process for Equipment Inspections

Step 1. Choose the appropriate Onsite Services (OSS) part numbers for the product chassis and components to be inspected. These part numbers can be ordered directly from Cisco (for resellers with a direct purchasing relationship with Cisco), or through a distributor.

Note: Be sure to provide the end-user name and phone number with your order, so that the Cisco equipment inspections coordinator knows whom to contact to set up the inspection.

Step 2. Within 24 business hours of receipt of the order from the distributor or from the direct reseller, a Cisco Onsite Services (OSS) coordinator contacts the end user to collect necessary information and schedule the date and time for the inspection. OSS schedules an onsite field engineer to visit the site on the agreed-upon date and time.

Step 3. The field engineer completes inspection and sends results back to the Cisco OSS coordinator. OSS then forwards results of the equipment inspection to end user contact.

Step 4. The end user provides the results to the Cisco sales team if the user wishes to put the equipment under a service maintenance contract. Upon meeting the requirements within the used equipment policy, standard service pricing applies as if the equipment were a new product.

For more detailed information about Cisco's policy for support of used equipment, the inspection process, and inspection pricing, please contact your Cisco sales representative, or email tss-inspections@cisco.com. For further assistance/questions on the delivery of the inspection (once the order has been placed), email gps-pds-west@cisco.com.



Summary: Sales Strategy

This section describes a sales strategy for situations in which unlicensed, used Cisco equipment is competing with new or authorized refurbished Cisco equipment and describes the recommended steps to help inform the customer of the risks involved in buying such equipment.

The customer is considering purchasing unlicensed, used equipment instead of Cisco new or refurbished equipment:

Step 1. Encourage customer to purchase new Cisco equipment first, for the reasons previously.

Step 2. If the customer wishes to purchase used Cisco equipment, you should recommend Cisco's authorized refurbished equipment, for the following reasons:

- Cisco authorized refurbished equipment comes with a standard Cisco warranty
- Cisco authorized refurbished equipment is automatically eligible for service support (that is, does not require an equipment inspection in order to be eligible for Cisco SMARTnet support)
- A new valid software license is automatically included with the product. (Customers can learn more about the program at: http://www.cisco.com/warp/public/csc/refurb_equipment/. Authorized resellers can access the program details and see equipment available in stock at <http://www.cisco.com/dprg>.)

Step 3. If the customer still wishes to purchase used Cisco equipment outside of the Cisco Authorized Refurbished Equipment program, you must tell the customer that software licenses are nontransferable and that the customer must purchase a software license if the product has software associated with it (or the customer will be in violation of Cisco's Software Licensing Policy). (The software relicense price will be approximately equal to the cost of the original software. Standard discounting normally applies-contact your distributor or Cisco sales representative for details; list prices and part numbers can be viewed at <http://www.cisco.com/warp/public/csc/softskus.xls>).

Step 4. After the appropriate software license has been procured, the product can then be inspected for eligibility to receive Cisco support, if the customer wishes to purchase Cisco service support.

Key Points to Remember about Used Equipment Purchased through Third-Party Sources:

- New software licenses must always be purchased for used Cisco equipment containing software, whether or not the customer wishes to purchase service support from Cisco. (See the section "Ordering Software Licenses" for more details.)
- Used equipment purchased through third-party sources is not eligible for service support from Cisco until it has passed Cisco's equipment inspection.

Questions

Software relicensing program: sw-license@cisco.com

Equipment inspection program: tss-inspections@cisco.com

Equipment inspection coordination (once order has been placed): gps-pds-west@cisco.com

Cisco Authorized Refurbished Equipment Program: carprogram@cisco.com

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