

**PROCURE IT AGREEMENT
VERSION 2.1.3**

[SIX]

SERVICE LEVEL AGREEMENT (SLA)
Version 2.1.3

SLA SERVICE LEVEL AGREEMENT

Document Control

VERSION HISTORY

Version	Date	Comments
Draft 01		

DOCUMENT DISTRIBUTION

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01		
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REVIEW AND APPROVAL

Company	Name	Date	Signature

*** There are a number of guidance notes in grey italicised print included in the SLA for consideration in completing the SLA. These are included simply as suggestions. Users should obtain legal or other professional advice in developing an SLA to achieve their objectives and derive maximum benefit from the Service relationship.*

Contract No:		
Parties	Customer	
And	Contractor	

1. GENERAL

Contact

1.1 The terms and conditions included in this Service Level Agreement form part of the Contract and apply when a Customer places an Order for:

- Hardware Maintenance Services
- Software Support Services
- IT Personnel
- Professional Services
- Data Management
- Telecommunications
- Web Services
- Managed Services

Select the appropriate category of Service.

In the event of any inconsistency between the Contract and the provisions of this SLA, the Contract will prevail to the extent of the inconsistency. The Parties agree that the SLA will provide a further level of detail consistent with higher-level contract expectations that will not constitute an inconsistency for the purposes of this clause.

Purpose of SLA

1.2 This SLA provides a mutual understanding of the Service Level expectations of the Parties and defines a benchmark for measuring the performance of the Service. Insert details of any guiding principles such as continuous improvement, continuous satisfaction, proactive solutions and so on that the Parties wish to apply to the relationship.

Duration of SLA

1.3 This SLA will commence on *insert commencement date* and expire on *insert expiration date*.

Review

1.4 This SLA will be reviewed every *3/6/12 months* from the date the SLA commences.

1.5 Where the Contractor is required to provide scoping Services after the commencement of this SLA, the Parties agree to review the SLA at the completion of those Services and update the SLA accordingly.

Nominated Contracts/Management Committee

1.6 *Each Party should nominate a contact officer for the management of Service Level issues or establish a Management Committee in accordance with clause 15.2 of the Agreement.*

Management Meetings

1.7 *Identify when and how often these should occur. (clause 15.2 of the Agreement)*

Notification Procedure

1.8 *How are problems in relation to performance of the Services to be notified by the Customer to the Contractor?*

Escalation Procedure

1.9 *The responsible officers in each Party's organisation should be identified and the circumstances in which matters may be escalated to those officers for review and resolution.*

Escalation Level	Officer
Level 1	<p>Customer: Service Level Agreement Manager Name and Contact Details</p> <p>Contractor: Service Level Agreement Manager Name and Contact Details</p>
Level 2	<p>Customer:</p> <p>Contractor:</p>
Level 2	<p>Customer:</p> <p>Contractor:</p>

* Table 1 Escalation levels

Site Information

1.10 *Location, specific requirements or unique features about the Site should be set out here, as applicable (clause 12.3 and 15.5 of the Agreement).*

Hours of Operation

1.11 *What are the Customer's normal hours of operation? When can Services be performed with minimal disruption to the Customer's operations?*

Contract Variations

1.12 Where the Customer requires services that are not included in the SLA or in the Order, or there is a significant change to the Services to the scope of the Customer's requirements under the Contract which impacts on the contractual terms, then a Contract Variation must be effected in accordance with clause 17.2 of the Agreement.

Referenced Documents

1.13 *Include details of any Documents that are relevant to the performance of the Services. See clause 14.6 of the Agreement.*

2. SERVICES

Customer Responsibilities

2.1 *Identify any resources that are to be supplied by the Customer and any responsibilities that are to be retained by the Customer. See clause 12 of the Agreement.*

Contractor Provided Services

2.2 The Contractor agrees to provide the following Services:

Include a brief description of the Services to be provided by the Contractor.

2.2.1 Transition In:

Specify the nature of transition in assistance required by the Customer from the Contractor in relation to transfer of equipment, contracts and disengagement from former contractors or in-house service providers.

2.2.2 Management and Consulting

In addition to ensuring that the Contractor has adequate resources to provide the Services are there other management services required of the Contractor? Are there external contractual relationships or procurement issues that the Contractor is expected to manage?

(a) Service review and planning for the future

See clause 15.4 of the Agreement. The items for review could include:

- Service provided during the review period*
- Major incidents during the review period*
- Problems that remain outstanding*
- Review of Contract Variation requests and progress for enhancements*
- Review of any Contract Variation plan*
- Future events or business developments that will affect the Service*
- Review any potential changes required to the SLA*
- Agree items for submission to the executive decision making*
- Review schedules for Services provided*

(b) Reporting and Analysis

See clauses 11.10 and 15.3 of the Agreement. Identify the reports and analysis the Customer requires the Contractor to generate as to Service Level performance.

(c) Risk Management and Problem Prevention

(d) Quality Management

(e) Asset Management

The Customer may require the Contractor to produce a plan for review and approval in relation to the above three issues. The plan would be the basis for benchmarking and assessing Service Level performance.

2.23 Disaster Recovery and Business Continuity Planning

See Clause 15.12 of the Agreement. The Customer may require the Contractor to prepare a plan for review and approval. The plan would be the basis for benchmarking and assessing Service Level performance.

2.2.4 Security

(a) Information Security

Is the Contractor able to access or use Personal or Confidential Information, or Customer Data in the course of providing the Services? Are there practical requirements, in addition to the contractual requirements in clauses 9 and 10 of the Agreement that should be specified?

(b) Security Audit and Internal Audit

The Customer may require the Contractor to provide a plan demonstrating how it will protect such information or data and take action against employees, against or subcontractors if they do not abide by that plan. The plan would be the basis for benchmarking and assessing Service Level performance.

2.25 Transition Out

Refer to relevant Modules to determine whether transition out assistance is required. Specify the transition out or disengagement services required from the Contractor.

2.2.6 Technical

- Hardware Maintenance Services
- Software Support Services
- IT Personnel
- Professional Services
- Data Management
- Telecommunications
- GTA Broadband Local Access
- Web Services
- Managed Services
- GTA ISM
- System Integration Services

3. ASSUMPTIONS

3.1 *This clause is intended to provide a contextual reference for the assessment of the Contractor's performance against the Service Level. There are a number of issues that may be outside of the Contractor's control that could adversely impact on the Contractor's capacity to deliver against set performance criteria such as the continuous availability of telecommunications links, bandwidth capacity or third party service interruption issues.*

3.2 *Also it may be an expectation of the Customer that the Contractor in performing the Service adhere to specific policy or procedural requirements that should be included in this clause.*

3.3 *In some instances the Service Levels may have been agreed prior to a scoping phase being completed under the Contract. In that instance the Service Levels may be agreed against representations made by the Customer or a notional assessment of the scope of the task expressed as sizing metrics in terms of number of users, outputs, data volumes and so on.*

4. ASSUMPTIONS

4.1 Customer Responsibilities

Responsibility Indicate the Responsibility e.g. maintenance of Customer retained equipment that impact on Contractor Service Levels if for instance the Service is provided off site.

- (a) Benchmarking
- (b) Service Level

4.2 Contractor Responsibilities

Service Indicate the Service e.g. Server maintenance

- (a) Benchmarking
- (b) Service Level

5. PERFORMANCE MEASUREMENT

Depending on the type of Service provided by the Contractor, the performance may be measured on the basis of User satisfaction through review, virtual client assessment or survey process, or measurable on the basis of functionality, timed responses, frequency, speed, quality, or resolution of issues.

Service/Responsibility	Frequency	Benchmark	Service Level	Measurement	When measured
Identify Service/Responsibility (Breakdown into components as necessary)	How often is the Service to be provided?	Outline high level expectations	Detailed performance criteria	Identify method/formula for measurement	Timing
* Table 2 Outcomes and Performance Measurement					

6. PAYMENT ISSUES

6.1 Payment Schedule

Include a Schedule of Payments or rates for various services. A Rebate and Service Credit regime may then be applied against amounts due to the Contractor.

6.2 Rebates and Service Credits

Insert appropriate Rebate and Service Credit regime

Guide Notes:

The Parties may wish to apply categories of criticality to each Service Level for the purposes of assessing when rebates or service credits should apply. As an example:

Category 1 – High level of criticality

Category 2 – Moderate level of criticality

Category 3 – Low level of criticality

Rebates for failure to meet a Service Level could be expressed to apply in different percentages depending on the Service Level category outline above. By way of example if a 5% rebate were to apply to monthly charges payable to the Contractor for failure to meet a Service Level, the rate could be expressed as follows:

For **Service Level Category 1** failures: 100% of the 5% rebate

For **Service Level Category 2** failures: 50% of the 5% rebate

For **Service Level Category 3** failures: 10% of the 5% rebate

Service credits may be awarded for service delivery that exceeds the agreed targets. Service credits can be offset against any rebate due in an agreed accounting period so that the net Rebate can be calculated.

By way of example Service Credits can be accumulated on a monthly basis. The cumulative tally of Service Credits can be reset to zero at the end of an agreed period (perhaps quarterly) after offsetting against the Rebate applicable for that same period.

For exceeding all **SL Category 1** targets the Service Credit is 50% (of 5%)

For exceeding all **SL Category 2** targets the Service Credit is 30% (of 5%)

For exceeding all **SL Category 3** targets the Service Credit is 10% (of 5%)

7. CONTRACTUAL REMEDIES

Where the Contractor does not meet the same Service Level under the Service Level Agreement for each month in a consecutive six (6) month period, the Customer shall be entitled to treat such failure as a substantial breach for the purposes of clause 18.2 of the Agreement.

The Parties would otherwise rely on the contractual remedies available in the Agreement:

- clauses 7.7 to 7.9 Issue Resolution*
- clause 14.7 Extension of time*
- clause 15.11 Retention of Moneys*
- clause 16.4 Suspension of Payments*
- clause 17.2 Contract Variation*
- clause 18.2 Termination for breach by the Contractor*
- clause 18.5 Termination for breach by the Customer*
- clause 18.4 Termination for convenience*

8. INCENTIVES AND INNOVATION

Where the Contractor:

- (a) exceeds targets for performance consistently over an agreed time period;*
- (b) is innovative in developing new processes or systems; or*
- (c) sources and implements new technologies; and*

these accrue benefits and costs savings to the Customer, the Parties may agree to share those costs on terms agreed in the SLA.

9. DEFINITIONS AND INTERPRETATION

9.1 In this Service Level Agreement, unless the contrary intention appears:

“Rebate” means the rebate specified in the Service Level Agreement attached to an Order.

“Service Credit” means the service credit specified in the Service Level Agreement attached to an Order.

9.2 Other capitalised words and expressions used in this SLA are defined in Part 2 of the Agreement.