# Service Level Agreements – Example 4

Review the service level terms and discuss the questions listed below for each. All terms are taken from a “standard” service level agreement and terms represent all of what was included in that standard SLA. Remember to consider both what is in the SLA (and what expectation it sets) and what is missing and the implications of not defining standards.

Each group will have a different SLA to discuss.

### Questions

Discuss each question in your small group. If you would like to submit your answers, you can do so at [www.gfoa.org/poll](http://www.gfoa.org/poll)

1. What does the SLA do well?

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1. What in the SLA concerns you?

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1. What is missing from the SLA?

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1. On a scale of 1 to 10 (1 = terrible and 10 = good), please rate the SLA

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**Example SLA 4**

1. **OWNERSHIP OF DATA**
   1. Regardless of the location of the hosting facility, Client will retain sole and complete, legal and beneficial ownership of its data stored on the Hosting Services Site.
   2. VENDOR’s responsibilities and rights regarding Client data are solely restricted to the provision of services described in this Hosting SLA. VENDOR may not make any other uses of Client data for any reason whatsoever, without the express written consent of Client, unless ordered to release such data by a court of competent jurisdiction.
   3. Client may request return of any or all of its data at any time, for any reason, and VENDOR will provide such data within a reasonable period of time, in native format.
2. **OVERVIEW OF HOSTING SERVICES**
   1. VENDOR is committed to providing secure, reliable and dedicated Hosting Services to Client. For maximum protection and value to Client, VENDOR will contract with Amazon AWS for provision of a hosting facility in the United States. The following Service Level Agreements apply to the Amazon Services being contracted:
      * + https://aws.amazon.com/s3/sla/
        + <https://aws.amazon.com/ec2/sla/>
        + <https://aws.amazon.com/rds/sla/>
   2. VENDOR reserves the right to change hosting providers to an alternate service providing comparable functionality, and meeting the standards in this document.
   3. All hosting services will be provisioned from data centers located within the United States.
   4. In return for Annual Software as a Service Fee from Client, VENDOR will provide the following services to Client:

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| Service | Description |
| Secure Hosting Site | A secure hosting facility with 24/7 security control. |
| Internet Service Providers | A facility with stable network connectivity across North America. Internet services will be routed through multiple independent carriers to eliminate single-carrier points of failure. |
| Data and Service Redundancy | Redundant storage across multiple zones providing failover in the event of a catastrophic failure at the primary hosting site. |
| Software | Operating System, Database and Virus Protection software as required to run the production environments.  VENDOR will keep systems secure by keeping them up-to-date on security patches and security audits, and all Third-Party critical updates will be applied in a timely manner following Third-Party vendor notification. |
| Teller Software Updates | VENDOR will test and install into the Teller system at the Hosting Services Site all updates to the Teller system and Teller Interfaces for Client-specific emergency bug fixes, as well as all Teller point, maintenance and patch Releases which are made available during the term of this Agreement. |
| Performance Monitoring | VENDOR will monitor the performance of systems at the Hosting Services Site, to maintain system stability and performance.  VENDOR will provide patch management, event log management and system tuning. VENDOR will review system logs on a weekly or as-needed basis. |
| Data Backups | Securing Client data against loss is a key provision within the SLA. Full backups will be performed on a regular basis. |

1. **AVAILABILITY COMMITMENT, ISSUE TRACKING, AND REMEDIES**
   1. While the Hosting Services Site availability will generally be expected to be 24 x 7 (except for scheduled or critical outages), the commitment of VENDOR is to provide Hosting Services site availability during VENDOR business hours (7:00 am – 5:00 pm Monday through Friday Pacific Time, excluding statutory holidays) for 99% uptime or better in a calendar month. Credits may be claimed only against loss of Hosting Services during VENDOR business hours.
   2. If VENDOR during regular business hours as defined in 3.1 fails to provide Hosting Services availability, as defined below, in any given calendar month, VENDOR will issue a credit towards future Hosting Service Fees in accordance with the following schedule:

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| Hosting Services Site Availability | Credit Percentage (of monthly fee) |
| 99.0% to 100% | 0% |
| 98.0% to 98.9% | 2.5% |
| 97.0% to 97.9% | 5% |
| 95.0% to 96.9% | 7.5% |
| 90.0% to 95.0% | 25% |
| Below 90.0% | 100% |

* 1. VENDOR will provide a monthly report identifying any downtime in the previous month. Downtime will be calculated to the minute from the time it is first detected (by our monitoring or by Client report) until service is restored. The total calculated downtime minutes will be compared with the total minutes of guaranteed availability period as defined in 3.1, and the resulting percentage used to determine the Site Availability and Credit Percentage listed in table 3.2. Credits will be applied to the next billing cycle.
  2. The total amount credited to Client for any given month under this Hosting SLA will not exceed the total hosting fee paid by Client for such month for the affected service. Except in cases of gross negligence, client specifically acknowledges and confirms that under no circumstances whatsoever will VENDOR be liable for any incidental, indirect, exemplary, special or consequential damages of any nature or kind, or any loss resulting from business disruption arising from any services covered under the terms of this agreement, regardless of the form of action, whether in contract, tort (including negligence), strict product liability or otherwise, even in the event that VENDOR has been advised of the possibility of such damages.
  3. Client will not receive any credits under this Agreement in connection with any failure or deficiency of VENDOR Hosting Services caused by or associated with:
     + Scheduled Maintenance – Time allocated for scheduled monthly maintenance or critical updates of servers and other VENDOR equipment will not be considered “down time” as used in the calculation of Hosting Services availability described in Section 3.2 of this Hosting SLA. Maintenance will be scheduled for outside of Client Business hours specified in Section 3.1 of this Hosting SLA. The schedule for regular monthly maintenance windows will be provided to the Client at least 4 weeks prior. Except for emergencies, maintenance outages will be communicated via e-mail to the Client at least 2 business days in advance of any such outage.
     + Client Equipment – Client is solely responsible for maintaining all Client equipment not at the Hosting Services Site and for ensuring that such equipment is in proper working order, has the correct software installed, and has the ability to connect to the VENDOR Hosting Services for the exchange of data.
     + Client ISP Provider – Client is solely responsible for maintaining all Client connections with local Internet Service Providers (ISPs) and for resolving any problems that might arise with local ISP connections.
     + Internet Outages – VENDOR is not responsible for Internet outages (including ISP peering) that may make VENDOR Hosting Services appear inaccessible when others can still access it.
     + Client Acts or Omissions – including acts or omissions of others engaged or authorized by Client, including, without limitation, any negligence, willful misconduct, or use of the Hosting Services in breach of the terms and conditions of this Hosting SLA.
     + Force Majeure – Circumstances beyond VENDOR’s reasonable control, including, without limitation, acts of any governmental body, war, insurrection, sabotage, armed conflict, embargo, fire, flood, unavailability or interruption in telecommunications or Third-Party services, virus attacks or hackers, failure of Third-Party software, or inability to obtain power used in or equipment needed for provision of this Hosting SLA.