# Service Level Agreements – Example 1

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 1**

**Definitions.** Except as defined below, all defined terms have the meaning set forth in the Agreement.

*Attainment:* The percentage of time the Software is available during a calendar quarter, with percentages rounded to the nearest whole number.

*Client Error Incident*: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

*Downtime*: Those minutes during which the Software is not available for your use. Downtime does not include those instances in which only a Defect is present.

*Service Availability*: The total number of minutes in a calendar quarter that the Software is capable of receiving, processing, and responding to requests, excluding maintenance windows, Client Error Incidents and Force Majeure.

**Service Availability**

The Service Availability of the Software is intended to be 24/7/365.

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support incident number.

You must document, in writing, all Downtime that you have experienced during a calendar quarter. You must deliver such documentation to us within 30 days of a quarter’s end.

The documentation you provide must evidence the Downtime clearly and convincingly. It must include, for example, the support incident number(s) and the date, time and duration of the Downtime(s).

b. Our Responsibilities

Upon timely receipt of your Downtime report, we will compare that report to our own outage logs and support tickets to confirm that Downtime for which we were responsible indeed occurred.

We will respond to your Downtime report within 30 day(s) of receipt. To the extent we have confirmed Downtime for which we are responsible, we will provide you with the relief set forth below.

c. Client Relief

When a Service Availability goal is not met due to confirmed Downtime, we will provide you with relief that corresponds to the percentage amount by which that goal was not achieved, as set forth in the Client Relief Schedule below.

Notwithstanding the above, the total amount of all relief that would be due under this SLA per quarter will not exceed 5% of one quarter of the then-current SaaS Fee.

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| **Targeted Attainment** | **Actual Attainment** | **Client Relief** |
| 100% | 98-99% | Remedial action will be taken. |
| 100% | 95-97% | 4% credit of fee for affected calendar quarter will be posted to next billing cycle |
| 100% | <95% | 5% credit of fee for affected calendar quarter will be posted to next billing cycle |

**Applicability**

The commitments set forth in this SLA do not apply during maintenance windows, Client Error Incidents, and Force Majeure.

We perform maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

**Force Majeure**

You will not hold us responsible for not meeting service levels outlined in this SLA to the extent any failure to do so is caused by Force Majeure. “Force Majeure” means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.

**Disaster Recovery**

In the event any of your Data has been lost or damaged due to an act or omission by us or our subcontractors or due to a defect in the software, we will use best commercial efforts to restore all the Data on servers in accordance with the architectural design’s capabilities and with the goal of minimizing any Data loss as greatly as possible. In no case shall the recovery point objective (“RPO”) exceed a maximum of twenty-four (24) hours from declaration of disaster.

In the event we declare a disaster, our Recovery Time Objective (“RTO”) is twenty-four (24) hours. For purposes of this subsection, RTO represents the amount of time, after we declare a disaster, within which your access to the Software must be restored.