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**Document Control**

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This table shows a record of significant changes to the document.

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# 1. Introduction

The purpose of this policy is to ensure service targets are created, negotiated, agreed upon, documented, monitored, reviewed, and reported to the customer. SLM acts like a liaison between the customer and the service provider which sets the targets in terms of quality, time, and scope as per the SLR and SAC.

The Service Level Management (SLM) process is responsible for seeking a realistic compromise between the customers’ needs, expectations, and the cost of associated services, such that these are acceptable to both the customers and to the IT Organization. This also aims to ensure that an agreed level of IT service is provided for all current IT services, and that future services will be delivered to agreed achievable targets. Service Level Management is also responsible for ensuring that all appropriate Operational Level Agreements and Underpinning Contracts are in place for monitoring the vendors and other groups.

# 2. Internal SLA

An internal service agreement is a contract between two or more departments within a company. It sets forth the duties and responsibilities of each department and how they will work together to provide a service to the company or another department. The agreement should be in writing and signed by the heads of the departments involved. It should be reviewed and updated regularly to ensure that it is still relevant and accurate. An internal service agreement can be a valuable tool for coordinating multiple departments and ensuring that everyone is clear on their roles and responsibilities. It can help to avoid misunderstandings and conflict and ensure that everyone is working towards the same goal.

|  |  |
| --- | --- |
| **Service provider** | (What a service provider does) |
| **Service reliability** | (When services are available and acceptance level of outages) |
| **Service responsiveness** | (How punctual service should be and how often servicing should occur) |
| **Problem reporting procedures** | (How punctual service should be and how often servicing should occur) |
| **Service level monitoring** | (How the level of service will be monitored and who will be monitoring) |
| **Performance penalties** | (Consequences will happen in case of breach of contract) |
| **Escape clauses** | (If there are any conditions under which failing to keep the service up would not result in punishment, they should be specified.) |

# 3. Performance Metrics

## 3.1 Availability

The proportion or amount of time that a specific resource is available to consumers is called availability. You want as close to 100% availability as feasible.

## 3.2 Response time

The amount of time it takes for a response to arrive after a request is known as the reaction time or latency from any cloud resource. Since response time most directly affects the user experience, you want it to be as short as possible.

## 3.3 HTTP error

The proportion of user requests that return an unexpected HTTP status code is known as the HTTP error rate. A user encountering the dreaded HTTP 500 "server unavailable" error when your web application calls an API is one illustration. Any such error should be checked because it may be the result of a network outage, which could affect your SLA.

## 3.4 Disk read errors

The percentage of unsuccessful read requests is the disc read errors measure.

## 3.5 Disk Utilization

The amount of disc space being used on a specific server instance is known as disc utilization. An Azure instance that has run out of disc space is one example. You may assess whether you need an update by looking at the instance disc utilization, which will show you how much space you still have available. A server instance with insufficient disc space will undoubtedly result in a breach of the uptime SLA.

## 3.6 Memory Utilization

Memory consumption measures how much RAM a system is using. AWS instance with insufficient memory configuration is an example. You can check the instance memory consumption to see how much memory is being used at any given moment. This might assist you in determining whether you need to upgrade your RAM or temporarily reset your computer to free up extra memory.

# 4. Service Level Agreement

## 4.1Service Details

Support Team Structure

| **Level or Role** | **Name** | **Contact Number** |
| --- | --- | --- |
|  |  |  |
|  |  |  |

Support Hours

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Location (s) from where service is expected to be provided** | **Australia** | | **Others** | |
| **From** | **To** | **From** | **To** |
| Regular Weekdays |  |  |  |  |  |
|  |  |  |  |  |
| Weekends |  |  |  |  |  |
| Holidays |  |  |  |  |  |
| On call support |  |  |  |  |  |

## 4.2 Service Provider & Customer Responsibilities

Service Provider Responsibilities

<Provide detailed responsibilities of the service provider>

Customer Responsibilities

<Provide detailed responsibilities of the customer>

## 4.3 Business Impact

<Provide details of impact on business if the application or parts of the application are down. Computing a monetary value will enable prioritization and response to disruptions. Factors used to compute impact on business will include number of users, monetary value of transactions, regulatory impact in case the application is down etc >.

| **Attribute** | **Value** | **Remarks** | | | |
| --- | --- | --- | --- | --- | --- |
| Number of users |  |  | | | |
| Business impact in case application is down |  |  | | | |
| Pattern of incidents if any | N/A | *To record if analysis of previous statistics indicates peaks during month end, year closing etc.* | | | |
| Anticipated growth in numbers | Year |  |  |  |  |
| Users |  |  |  |  |
| Trans. |  |  |  |  |
| Regulatory impact of application being down |  |  | | | |
| <Other factors if any> |  |  | | | |
|  |  |  | | | |

## 4.4 Baseline Volumes (Fault/ Transaction Throughput)

<Indicate the baseline volumes of faults / transactions coming to system at the time of take over of support>

<This serves basis for re- negotiations with customer if there is a significant change in them >

## 4.5 Service Targets

**Incident /service request -Response**

| **Priority** | **Initial Response (Time)** | **Escalation to Level 1 (Time)** | **Escalation to Level 2 (Time)** |
| --- | --- | --- | --- |
| P1 |  |  |  |
| P2 |  |  |  |
| P3 |  |  |  |
| P4 |  |  |  |

Incident /service request- Resolution

| **Priority** | **Resolution (Time)** | **Escalation to Level 1 (Time)** | **Escalation to Level 2 (Time)** |
| --- | --- | --- | --- |
| P1 |  |  |  |
| P2 |  |  |  |
| P3 |  |  |  |
| P4 |  |  |  |

## 

## 4.6 Availability

Availability targets within agreed hours, normally expressed as percentages – measurement period and method must be specified. This may be expressed for the overall service, underpinning services, and critical components or all three.

|  |  |
| --- | --- |
| **Threshold** |  |
| **Target** |  |
| **Stretch** |  |

**Availability** = (Scheduled Service Hours - Duration of Unplanned Outages) x 100%  
 Scheduled Service Hours

|  |  |  |  |
| --- | --- | --- | --- |
| Application Level | Business Hour Availability | Off-Hour Availability | Scheduled Down-Time |
| *Definition* | *Monday - Friday (Timings)* | *Monday – Friday (Timings)* |  |
| Critical |  |  |  |
| Important |  |  |  |
| Supportive |  |  |  |

## 4.7 Reliability

<Usually expressed as the number of service breaks, or the Mean Time Between Failures (MTBF) or Mean Time Between System Incidents (MTBSI). >

## 4.8 Transaction response times

<Target times for average, or maximum workstation response times (sometimes expressed as a percentile – e.g. 95% within 2 seconds >

<Escalation mechanism in case of failures to met target times giving the levels of escalations, criteria for escalations and, contact details for escalation.>

## 4.9 Batch turnaround times

<Times for delivery of input and the time and place for delivery of output.>

<Escalation mechanism in case of failures to meet target times giving the levels of escalations, criteria for escalations and contact details for escalation >

## 4.10 IT Service Continuity and Security

<Briefly mention of IT Service Continuity Plans and how to invoke them, and coverage of any security issues, particularly any responsibilities of the Customer (e.g. back-up of freestanding PCs, password Changes) >

<Details of any diminished or amended service targets should a disaster situation occur (if no separate SLA exists for such a situation). >

## 4.11 Charging, Rewards & Penalty

<Mention details of the charging formula and periods (if charges are being made). If the SLA covers an outsourcing relationship, charges should be detailed in an Annex as they are often covered by commercial in confidence provisions. >

Rewards and Penalty

Each SLA is measurable and associated with a financial penalty if not met. Some SLAs are associated with rewards for exceptional performance.

* Penalty. A deduction from the service provider’s monthly invoice expressed as a percentage of the agreed upon service delivery fee for the month in which a particular SLA was not met.
* Reward. A premium added to the service provider’s monthly invoice expressed as a percentage of the agreed upon service delivery fee for the month in which a particular SLA was exceeded.

## 4.12 Service reporting and reviewing

<Mention the content, frequency and distribution of service reports, recipients of reports and the frequency of service review meetings. >

The minimum level of service review frequency should be:

* Monthly service review
* Quarterly service review
* Yearly service review

The generic agenda for these review meetings could be as follows.

**Monthly Service Review**

* + Pending issues
  + Monthly report review
  + Feedback on closed incidents - scope for improvements
  + Planning for next month

**Quarterly Service Review**

* + Performance during the quarter
  + Critical incidents in quarter
  + SLA breaches
  + Repeated incidents
  + Trend analysis on the support

**Yearly Service Review**

* + Review of performance on quarter to quarter
  + Satisfaction survey results
  + Contract renewal

An example of service review chart is shown below. Coloured boxes represent the review schedule.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** |
| **Monthly** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Quarterly** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Yearly** |  |  |  |  |  |  |  |  |  |  |  |  |

Review Participants could be as follows.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Mandatory** | **Optional** | **FYI** |
|  | **Designation / Role** | **Designation / Role** | **Designation / Role** |
| **Monthly** |  |  |  |
| **Quarterly** |  |  |  |
| **Yearly** |  |  |  |

## 4.13 Performance incentives/penalties

<Details of any agreement regarding financial incentives or penalties based upon performance against service levels. These are more likely to be included if the services are being provided by a third-party organization. >

## 4.14 Change Management

<Mention the periodicity of the Service Level Agreement review. >

<Mention the mechanism that will be used for handling change requests with respect to this agreement. This should cover how the changes would be raised, what should be part of change request and who would be the approvers.>

## 4.15 Contact points and escalation

<Details of the contacts within each of the parties involved in the agreement and the escalation processes and contact points. This should also include the definition of a complaint and procedure for managing complaints.>

|  |  |  |
| --- | --- | --- |
| **Escalation Level** | **When to Use** | **Whom to Escalate** |
| Level 1: Normal Issue Management | When resolving day to day engagement issues |  |
| Level 2 Escalation | When normal issue management has failed to achieve resolution |  |
| Level 3 Escalation | When Level 2 efforts have failed or when multiple services are impacted |  |

<Contact details of the support team may vary for the engagement.>

| **Serial No.** | **Name of the Person** | **Designation/ Role** | **Contact Number** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## 4.16 Signatures

The service provider and the <customer name> agree to the service levels and terms outlined in this agreement.

|  |  |
| --- | --- |
| For the service provider  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | For the <Customer name>  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |