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**Document Control**

**Document Version History**

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

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**Approvals**

This table shows the approvals on this document for circulation, use and withdrawal

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**Confidentiality statement**

This document contains confidential and proprietary information of the <> and <Service Provider Name> (the “service provider”), which must be kept confidential.

**Glossary of Terms**

|  |  |
| --- | --- |
| **Term** | **Definition** |
| **Service Hours** | An agreed time period when a particular IT service should be available |
| **Service Level Agreement** | An agreement between IT service provider and customer. |
| **Underpinning contract** | An agreement between IT service provider and third party company. |

# Introduction to Service Level Management

The purpose of SLM is to ensure that the service targets are created, negotiated, agreed, 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 by 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.

Service level agreement (SLA) is a document/agreement that describes the scope of services, details of services, availability, quality, recovery times, etc.

# Template Introduction

<Title and brief description of the agreement>

<Parties to the agreement and signatories>

<Dates: start, end, review: This agreement shall be valid from <date/month/year> to <date/month/year>. The validity of this SLA will be reviewed on the following dates: <date/month/year>, <date/month/year>, …>

# Scope of Services

<Scope of the agreement; what is covered and what is excluded >

<Brief description of the services covered>

<Role responsibilities of both the service provider and the Customer >

# Service 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 |  |  |  |  |  |

# Service Provider & Customer Responsibilities

Service Provider Responsibilities

<Provide detailed responsibilities of the service provider>

Customer Responsibilities

<Provide detailed responsibilities of the customer>

# 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> |  |  | | | |
|  |  |  | | | |

# 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 >

# 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 |  |  |  |

## 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 |  |  |  |

## Reliability

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

## 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.>

## 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 >

# 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). >

# 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.

# 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. Colored 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** |  |  |  |

# 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. >

# 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.>

# 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** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

# 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: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

# Appendix

[Insert here anything you may like to attach to support the document.]