

Migration Planning Guidance (Version 1)

Section 2.6 Service Level Agreement Template

This section provides a Service Level Agreement (SLA) template with sample text. A description of the sections within this template is included in the SLA Overview section.

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Section

2.6

Service Level Agreement Template

This section provides a Service Level Agreement (SLA) template with sample text. A description of the sections within this template is included in the SLA Overview in Section 2.5.

Please note that the sample text is representative of how an SLA may be written, but the actual standard text within an SLA may vary from service provider to service provider. SLA text is negotiable, and both the Customer Agency and the shared service provider (SSP) must agree on the full contents of the SLA.

I. PURPOSE

Sample Text:

The purpose of this Service Level Agreement (SLA) is to identify the basic services, and any agreed upon optional services, to be provided by [SSP Name] regarding [financial management systems and accounting services] for [Customer Agency Name]. This SLA establishes mutually agreed upon service levels, monitoring methods, and organizational responsibilities where appropriate. This document is to be used in conjunction with the Master Agreement (Inter-Agency Agreement (IAA)/contract), which specifies the funding commitments associated with this SLA.

II. STATEMENT OF LEGAL AUTHORITY

Sample Text:

[SSP Name] agrees to provide service and / or product support as stated in the attachment(s) to [Customer Agency Name], pursuant to:

- <insert specific authority of the SSP>
- Chief Financial Officers Act (September 1991)
- Circular A-11 Preparation, Submission and Execution of the Budget (Revised 2004)
- Circular A-123 Management Accountability and Control (June 1995)
- Circular A-127 Financial Management Systems (August 1999)

- Circular A-130 Management of Federal Information Resources (February 1996)
- Circular A-134 Financial Accounting Principles & Standards (May 1993)
- Circular A-136 Financial Reporting Requirements (December 2004)
- Federal Financial Management Improvement Act (1996)
- Federal Information Security Management Act (2002)
- Public Law 104-205

III. MASTER AGREEMENT CLAUSES INCORPORATED

To the extent relevant, those clauses found in the Master Agreement, dated [month, dd, yyyy] by and between [SSP name] and [Customer Agency name], are incorporated herein by reference as though fully set out. Any provision in this agreement found to be in conflict with the Master Agreement shall be resolved in favor of the contract.

This SLA accompanies the Master Agreement and is considered binding for both [SSP Name] and the [Customer Agency Name] upon signing, by all affected parties, of this SLA and the Master Agreement. Future revisions of the Master Agreement may not contain this SLA but the terms, conditions, and responsibilities remain binding on all parties for the duration of service. A copy of this SLA is always available upon request.

IV. DESCRIPTION OF SERVICES

A. Services To Be Provided

Sample Text:

I. Baseline Services¹

Sample Text:

Following is the list of baseline services offered by the [SSP Name]. The items checked are the specific services to be provided under this SLA.

- Hosting (operations and maintenance) FSIO (formerly JFMIP)-compliant financial management software
 - ✓ XYZ Software Package supporting user environment of up to 200 users

¹ The definition of Baseline Services is "services provided to all clients, with a standard pricing model based upon number of users, number of transactions, etc."

- ✓ Production environment available for data processing from 7:00 AM to 7:00 PM Eastern Standard Time
- ✓ Processing of scheduled jobs
-etc....
- Data Management: Records Retention
 - Records retained in production system for two-year period.
 - Records retained in archive for seven-year period.
 -etc....
- Data Management: Developing Canned Reports
-etc....

II. Optional Services²

Sample Text:

- **Implementation of FSIO-compliant financial management software**
 - Program management support
 - Requirements analysis
 - General Design
 - Testing
- ✓ **Data Management: Developing Custom Reports**
- **Fixed Assets Financial Transaction Data Input**
 - Within 24 hours of receipt of paperwork
-etc....

III. Customer-unique Services³

Sample Text:

- **Hosting FSIO-compliant financial management software**
 - User base for financial systems software is 500 concurrent users.
 - Production environment availability needed for data processing from 7:00 AM to 10:00 PM Eastern Standard Time.
-etc....

B. Services Not Included (OPTIONAL SECTION)

² The definition of Optional Services is "value-added services not provided to all clients, but with a standard pricing model or level of effort algorithm."

³ The definition of Customer-Unique Services is "services based upon unique workload volumes, unique situations, special requirements (e.g. client-specific ad-hoc reporting, client-specific software customizations, etc.)."

C. Schedule (OPTIONAL SECTION)

V. SERVICE LEVEL OBJECTIVES

Sample Text:

Measurement of the *[financial management system and operations]* activities is critical to improving services and is the basis for cost recovery for services provided. The *[SSP Name]* and *[Customer Agency Name]* have identified activities critical to meeting the *[Customer Agency Name]* business requirements and have agreed upon how these activities will be assessed.

The following table outlines the performance metrics upon which service under this SLA will be assessed. Any performance metrics eligible for incentive credits or penalties are outlined here, along with the target that must be exceeded for the incentive credit to apply and performance level below which penalties will apply.

The table outlines:

- **Metric Name** – Common name for the performance metric.
- **Metric Description** – Detailed description of what the metric is assessing.
- **Formula/Calculation** – The data and calculation involved in arriving at the final metric.
- **Performance Category** – The category that the metric best describes: cost, quality, or time.
- **Metric Interval** – How frequently the metrics will be assessed.
- **Expected Service Level Objective** – The minimum expected target for service. If applicable, measured performance that falls below this metric target will have penalties applied as per the Incentive Credits and Penalties section within the Master Agreement.
- **Target to Exceed for Incentive Credit** – The target to exceed for measured services. If applicable, incentive credits will apply as per the Incentive Credits and Penalties section within the Master Agreement.

Measures tagged with an * will be effective *[timeframe (e.g. within 3 months)]* from the date the *[SSP Name]* commences supporting the production operations of financial management services for *[Customer Agency Name]*. All other Service Level Objectives will be effective immediately on the date the

[SSP Name] commences supporting the production operations of financial management services for [Customer Agency Name].

No SLA credit shall apply to the failure of the Service to comply with an SLA, or to any period of Service Unavailability, caused, in whole or part, by any of the following:

- (a) a failure of Customer Agency's premises equipment or equipment of a Customer's vendor;
- (b) a failure in local access facilities connecting the Customer Agency to [SSP Name]'s network which are not provided by [SSP Name];
- (c) force majeure events as defined under the Master Agreement;
- (d) any act or omission of [Customer Agency Name] or any third party (including but not limited to, Customer's agents, contractors or vendors), including, but not limited to (i) failing to provide [SSP Name] adequate access to facilities for testing, (ii) failing to provide access to Customer premises as reasonably required by [SSP Name] (or its agents) to enable [SSP Name] to comply with its obligations regarding the Service, (iii) failing to take any remedial action in relation to a Service as recommended by [SSP Name], or otherwise preventing [SSP Name] from doing so, or (iv) any act or omission which causes [SSP Name] to be unable to meet any of the SLAs;
- (e) customer's negligence or willful misconduct, which may include Customer's failure to follow agreed-upon procedures;
- (f) any scheduled maintenance periods when Customer has been informed of such maintenance, and emergency maintenance; or
- (g) disconnection or suspension of the Service by [SSP Name] pursuant to a right to do so under the Master Agreement or these terms and conditions.
- (h) outages attributable to "Off-Net Circuits," that is (i) long-haul domestic local access circuits in the US between a [SSP Name] POP and a Customer premises which is in a different Local Access Transport Area (LATA) and/or (ii) long-haul international local access circuits between a [SSP Name] POP and a Customer premises in a different country.

Service Category	Metric Name	Metric Description	Formula/ Calculation	Performance Category	Metric Interval	Expected Service Level Objective (SLO)	Target to Exceed for Incentive Credit
IT Infrastructure Hosting and Administration	System Availability	Hours system is available, expressed as a proportion of hours the system is contractually obligated to be available.	Available hours / Obligated hours * 100	Time	Monthly	<ul style="list-style-type: none"> - 99% - Penalty = expected SLO minus actual SLO (e.g. if actual SLO is 96%, a 3% penalty will be imposed). 	<ul style="list-style-type: none"> - 99.7% - Credit = target SLO minus actual SLO (i.e. if actual SLO is 99.9%, a .2% credit will be provided).
<p>PLEASE REFER TO SECTION 2.7 AND 2.8 OF THE MIGRATION PLANNING GUIDANCE DOCUMENT FOR POTENTIAL PERFORMANCE METRICS. NOTE THAT NOT ALL PERFORMANCE METRICS LISTED IN SECTION 2.7 AND 2.8 ARE APPLICABLE TO THE SLA.</p>							

VI. RESPONSIBILITIES

A. Customer Responsibilities

Sample Text:

This section contains detailed responsibilities of the Customer Agency.

1. Data Ownership

- a. Retain ownership of financial data contained in the financial system.
- b. Prepare and maintain a Business Recovery Plan that identifies how the Customer will resume operations of its business function should a disaster occur at its facilities. This plan shall address where the organization will be relocated and how replacement of network circuits and points of contact will be coordinated with the SSP.

2. Timeliness

- a. Respond within 24 hours to calls to the points of contact, Monday through Friday, excluding Federal Holidays.
- b. Pay for contractor services within 60 days of receipt of invoice.

3. Participation

- a. Provide necessary SMEs in the areas of agency-specific business processes and requirements.
- b. Designate a representative to participate, as mutually agreed upon, in User Group Meetings.
- c. Participate, as mutually agreed upon, in annual testing of the financial system application at the COOP site.

4. etc.

B. Provider Responsibilities

Sample Text:

This section contains detailed responsibilities of the SSP, that may not be outlined as part of the Services to be Provided or the Service Level Objectives sections.

1. Continuity

- a. Maintain a disaster recovery and Continuity of Operations Plan, as required by the FMLoB Due Diligence Checklist. A letter of assurance for Disaster Recovery and Continuity of Operations will be provided

prior to production operations being transitioned from the customer to the provider.

2. Timeliness

- a. Provide Tier 1, 2, and 3 support services according to the response time agreed upon in the SLA.
- b. Bill customer according to terms and conditions of the SLA.

3. etc.

C. Security

Sample Text:

Security roles, responsibilities, and system interconnectivity requirements related to services included within this SLA will be defined in a separate Security Services Agreement (SSA). The SSA will be reviewed and signed by representatives of [SSP Name] and the [Customer Agency Name]. A Rules of Behavior document will be attached to the SSA for clients who are users of computer systems and applications hosted and managed by the [SSP Name].

D. Formal Document Management (OPTIONAL SECTION)

Sample Text:

The [SSP Name] shall establish positive document control on all formal documentation distributed to the Customer. Each piece of formal documentation will be assigned a configuration item number and a version number. Any updates to document versions will trigger a notification to the Customer.

E. Configuration Change Management

Sample Text:

Each party agrees, in a timely manner, to notify the other party in advance of any substantial changes to its own system and business processes that affect systems and or business processes of the other party.

The nature and magnitude of changes, and the processes for each party to communicate regarding such changes will be defined in a separate Configuration and Change Management Agreement (CCMA). The CCMA will be reviewed and signed by representatives of [SSP Name] and the [Customer Agency Name].

VII. POINTS OF CONTACT

Sample Table:

Name	Primary/ Secondary	Agency/Organization and Address	Phone and Fax Number	Email

VIII. RELATED DOCUMENTS

Sample Text:

Additional documents related to this SLA include:

- Configuration and Change Management Agreement (CCMA)
- Security Services Agreement (SSA)
- End User Rules of Behavior

IX. APPROVALS

Sample Text:

Customer Agency Name
 Signature & Date

SSP Name
 Signature & Date

Customer Agency Name
 Typed Name & Title

SSP Name
 Typed Name & Title