

Developing a Service Level Agreement – A Checklist

Introduction

In an outsourced situation, the services to be provided should be described within the contract i.e., their scope, extent of the supplier's management responsibilities in relation to them and, the degree of flexibility to be allowed for in the case of any additional services required. In law, provisions are implied whether or not they are actually expressly worded. For example, covering the supply of services, it is implicit in all services contracts that the services will be carried out with reasonable skill and care within a reasonable time¹. If it is necessary to commence the outsourcing contract prior to the SLAs being defined to both parties satisfaction, temporary arrangements could be made at the beginning of the outsourcing. This could be based on average performance levels currently being achieved. The actual requirements being finalised during a transitional period after the contract has been signed and during which time the services are measured in order to set sustainable SLAs. 'Agreements to agree' are not definite enough to be legally enforceable and, therefore, precise dates (an agreed timetable) by which to agree should be set and reviewed during project review meetings.

Internal Service Level Agreements (SLAs) – between the business and the IT Department/Service Delivery – will usually not be the subject of contractual obligations but, will present 'a commitment to service'. Internal SLAs, as with external supplier SLAs, are usually negotiated and agreed with the customer however, it is not unusual to agree internal SLAs with individual business Departments (in terms of Key Business Stakeholders).

SLAs should be regularly reviewed in context with the business activity to ensure their continuing benefit. The supplier may be expected to provide additional or revised services, if so required by the customer, subject to

agreeing any further charges to be imposed as part of the scope for varying the contract.

The supplier is responsible for keeping the performance statistics. These are usually passed to the customer, in an agreed format, at agreed times – usually a written report (sometimes emailed) provided a few days following the end of the month. Both the customer and the supplier are responsible for ensuring the standards are maintained; with the supplier's obligation to observe them and the customers' right to check them.

The emphasis in designing SLAs should be deliverables – not processes; on the ends and not the means.

All services should be measurable. Defining a SLA as being provided to 'customer satisfaction' is nebulous and can create dispute later on. Additionally, a commitment from a supplier to guarantee '99% availability' is unsatisfactory unless a very precise definition of what constitutes 'availability' is provided.

This paper provides a generic, template, SLA which may form the basis of either a supplier SLA or, an internal SLA.

Service Level Agreement

Date:

Between:

Scope of Service:

- Business Area: for example, purchasing, finance, warehouse.
- Type of Service: for example, development, support, security, network.
- System: for example, credit control, email.

Service Hours:

- Define when the services are to be provided/carried out, e.g., normal working hours.
- Define any provisions for extending normal working hours e.g., process for requesting.
- Define Public holidays, weekend and overtime working – define prior notice process.
- Define business critical hours, for example, year end, month end, daily close of business.
- Define any strict deadlines.
- Define any 'fast track' processes for urgencies.
- Define any inputs – and associated timescales – on the part of the customer.

Availability

- Define actual target availability.
- Define whether any SLAs depend on external suppliers.

Exclusions

- Define any exclusions, for example, define what constitutes an exclusion; for maintenance, hardware, software, installation of new equipment, training – will these be carried out during normal working hours, will there be an additional cost implication?

Maintenance and Support

- Define the level of preventative and remedial maintenance to be provided.
- Define whom is responsible for supplying and maintaining peripherals, operational consumables.
- Define anticipated recovery times for unscheduled service outages.
- Define escalation process and procedure.

Service Desk

- Define response times for initial requests, queries and problems.
- Define any categorisation and priority levels.
- Define the timescales to Incident, Problem resolution.
- Define escalation procedure.

System Development Services

- Define performance requirements for business analysis, feasibility studies, package selection, specification, design.
- Define the extent to which the supplier is expected to take the initiative in identifying business opportunities for new technology or systems.

Education and Training

- Define any proposals for training new end users and the supplier's new employees, for example, during refresh projects, induction.

Quality Assurance and Engineering Standards

- Define what inspections, testing requirements and sign-off procedures will be required (for the system development life cycle).
- Define any formal quality control and quality assurance, for example, compliance with ISO9000, BS15000, ITIL.
- Define any information security management to be a part of the service.
- Define any codes of conduct or codes of practice for staff to be included.

Backup Processes and Procedures

- Define contingency planning and disaster recovery procedures.

Signature and Date : SLA Owner

Signature and Date : Customer

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End Notes:

¹ Supply of Goods and Services Act (1982)