

# EXHIBIT X - SERVICE LEVEL AGREEMENT (SLA) for Software as a Service Contracts

## City of Seattle CONTRACT FOR

This Service Level Agreement template is adopted by City Purchasing Policy for Software as a Service (SaaS) solutions and serves as a supplemental document to the City contract with the Vendor. SaaS is defined as software applications hosted by the vendor where the City does not take ownership of the software and is instead purchasing access to the application via the Internet. The Service Level Agreement is intended to assure the vendor will provide the City an acceptable level of availability and performance of the SaaS application.

The degree of specification required in the Service Level Agreement will vary based on the nature, and mission criticality of the application. For example, a public safety application used 24 x 7 by citizens would likely require a stricter and more detailed performance and availability agreement than an application used 8am to 5pm M-F only by City employees performing a task that isn't time-critical. Not all sections may be appropriate to your requirements.

The yellow boxes are informational for City Employee information, and should be removed prior to finalization.

## 1. Period and Scope of the Agreement

The Vendor will provide to the City the application, infrastructure, and operational support for the software application and functionalities listed in the table below:

**Table 1: Applications/Functionality supported by the Vendor under this Agreement**

Application / Functionality	Number of Licenses or description of other scope of support

Unless otherwise stated, this Agreement will become effective when the Contract is signed by the City and the Vendor, and will continue until termination of the Contract.

## 2. Vendor Services

The purpose of this section is to ensure both the City and the Vendor have clearly identified which entity is responsible for the various aspects of support services. Clarify the Service in greater detail if needed. Move the Service to the Joint Responsibilities section (Section 4.) if the responsibility is split between the City and the Vendor.

The Vendor will assume responsibility for the services listed below to the City in support of this Agreement whether directly provided by the vendor, or provided by a 3<sup>rd</sup> party subcontractor of the Vendor:

**Table 2: Vendor provided services - examples**

Service	Included
Hosting Facility Services	Yes / No / Shared?
Operations/Monitoring Services	Yes / No / Shared?
Application Administration Services	Yes / No / Shared?
Software Maintenance and Upgrade Services	Yes / No / Shared?
Application Recovery Services	Yes / No / Shared?
Data/Information Security Services	Yes / No / Shared?
Data Storage and Retention	Yes / No / Shared?
Network Services	Yes / No / Shared?
Problem Management/Customer Support Service	Yes / No / Shared?

### Hosting Facility Service

Typically in SaaS applications the Vendor provides the hardware, software, and the location where they. They may do this directly or through a 3<sup>rd</sup> party contractor of theirs.

Vendor assumes all responsibility for the computing environment supporting the hosted applications.

### Operations/Monitoring Services

Since the Vendor typically has responsibility for the environment, they typically assume the responsibility for monitoring the application and environment. Specify if key City employee contacts need to be on the alert notification list.

Applications provided by the vendor are supported by a 24 x 7 automated and alert monitoring system.

### Application Administration Services

Normally the Vendor will want to administer the application, databases, O/Ss, etc in on order to prevent a customer from making changes that can affect other customers

Applications provided under this agreement will be the responsibility of the Vendor. Vendor will own and manage the application, related databases, supporting computing hardware, and necessary operating systems.

### Application Recovery Services

Since the vendor has responsibility for the application and environment, they will typically manage recovery. Specify any other required Disaster Recovery responsibilities

The Vendor will provide the following Recovery Services:

- Hosting Infrastructure and environment recovery processes.
- Application recovery processes.
- Offsite data backup storage via media (e.g. tape) or cloud including rotation, retention, and periodic testing of data backups

### Data/Information Security Services

This ensures that minimum security requirements are adhered to over the life of the contract, not just as an initial requirement to meet during acquisition

The Vendor will manage the Applications and City data at or above the same level of City security minimum requirements as established by the Request For Proposal (RFP) and/or Contract.

### Data Storage and Retention

Even though the City may not be the party physically storing the data, City record retention policies still apply

The Vendor will ensure City data is stored and retained in accordance with City Record Retention policies.

## Problem Management/Customer Support Service

It is a best practice to assign a Severity Level to problems to help ensure the Vendor places appropriate priority on resolving problems that affect City operation. The following Severity Levels and descriptions are meant as a baseline for City SLAs. Many Vendors have their own Severity Level definitions. Use of the Vendor's Severity Levels is acceptable as long as it adequately accomplish the same purpose.

The Vendor provides problem management support for all application services covered by this agreement. The City will direct problems encountered with the services provided in this agreement to a Problem Management/Customer Support contact as identified by the Vendor. Problems will be assigned a severity level based on the following criteria:

**Table 3: Problem Severity Levels**

Problem Severity Level	Description
Severity Level 1	Mission critical City business process(s) unable to function - The System is not functioning and there is no workaround that is acceptable to the City, thereby preventing a department or workgroup from performing a mission critical business function(s).
Severity Level 2	Significant impact to Mission critical City business process(s) – A major problem impedes the ability to perform mission critical business function(s) due to major functionality not working. A temporary workaround that is acceptable to the City is available.
Severity Level 3	Not able to accomplish all functions - Minor function(s) not working causing non-critical work to back up.
Severity Level 4	Inconvenience – The System is causing a minor disruption in the way tasks are performed, but does not stop workflow. Able to accomplish all functions, but not as efficiently as normal. May include cosmetic issues - especially in constituent facing applications.

### **3. Service Level Standards**

The purpose of this section is to set the minimum level of acceptable system availability and performance. It uses the same tiers as the severity level levels for consistency under the rationale that not all system functions are of equal importance, thus helping the vendor focus their performance and fault tolerance efforts on the functionality that is most important to the City.

Note: **Any measures, metrics, and standards numbers in Table 4 are only typical examples, not all may apply** – actual measures, metrics, and standards should be based on the City's requirements for the business process/function the system supports.

If there are particular functions of the system that create business process or usability problems if the system response passes a certain threshold, a performance related service standard is recommended (as represented in Table 4, row 2). While this can be one of the more complex

standards to quantify, it also can be one of the more important in order to establish contractual agreement with the vendor as to what point the system is no longer usable to the City, and therefore must be repaired. In order to establish a baseline, the average system response time for key transactions should be documented at the time of User Acceptance Testing (UAT).

Once the baseline is established, the users/project team can then estimate at what point the transactions/functions tested would be too slow. For example, assume for a key system function it took about 2 seconds during UAT from clicking enter for a web page to accept a user-entered value, then look up and return the appropriate record. If the project team feels the maximum time the users would wait to get those lookup results would be about 10 seconds, then the standard should be less than 500% of response time during User Acceptance Testing. Though not an exact science, it does offer the City some performance protection.

The Service Level Standards in Table 4 apply to the services provided by the Vendor. The Vendor shall use all commercially reasonable efforts to meet or exceed the following Service Level Standards:

**Table 4: Service Level Standards**

Measure	Metric	Standard	Comments
Availability	System is available for use	99.99% Availability excluding scheduled maintenance	Availability is measured per calendar month Nine (9) hours of maintenance per calendar quarter are scheduled as follows: <ul style="list-style-type: none"> <li>• First Sunday of each month from 3 – 6AM PST</li> </ul>
Performance	System response time	400 percent of response time during User Acceptance Testing	See attached exhibit X for average response time for business critical transactions during User Acceptance Testing
Problem Management	Severity Level 1 Problem Resolved	100% resolved within 8 hours	
	Severity Level 2 Problem Resolved	100% resolved within 24 hours	
	Severity Level 3 Problem Resolved	80% resolved within 5 working days. 100% resolved within 10 working days.	
	Severity Level 4 Problem Resolved	80% resolved within 20 working days. 100% resolved within 45 working days.	
Vendor Help Desk	Help Desk call wait time	At least 99% of Help Desk calls are answered in 2 minutes or less ( a call pick-up system may be used)	

	Help Desk call busy signal	Less that 1% of calls get a busy signal	
Support calls for Severity Level 1 and Level 2	Support call Severity Level 1 and Level 2 callback time	Vendor must respond back to City in 30 minutes or less from the time the City made the call	
Data Retention	Monthly copy of City data for retention	Vendor must provide City a monthly copy of City data in a format designated by City	

Hours of support

Vendor will provide a designated support contact(s) 24 hours a day, Monday through Sunday.

**4. Joint Responsibilities**

Problem Reporting

The City will report concerns as appropriate to Vendor specified support contacts. City and Vendor shall jointly determine the number and type of City system administrators and/or end users that will have access to the Vendor Help Desk for problem reporting.

User Provisioning

Some hosted systems require the Vendor to create end users and/or new system administrators. The following shows an example where only the Vendor may create system administrators

New system administrators will be created by the Vendor within x days of the City's request. City will direct requests for new system administrators through Vendor designated contacts. Shorter provisioning times may be requested by the City in emergency situations.

Network Services

Some vendors could be reluctant to provide system performance under the rationale that the City's network, if functioning poorly, could impact overall system performance. The following addresses this concern.

The Vendor is responsible for providing adequate network infrastructure so as to meet the performance metrics specified in this agreement. The City is responsible for providing adequate internal network infrastructure so as to not affect the Vendor's ability to meet those performance metrics. The City is responsible for the support, maintenance, and monitoring of the City's dedicated LAN and or WAN. Vendor bears no responsibility for performance and availability problems on networks within the City's control.

## 5. Liquidated Damages

The hosted system may support a City business process that can result in fines/damages to the City should the hosted system not perform per the SLA. The City may choose to require liquidated damages tied to service levels. If this approach is used, the damages section of the contract with the Vendor should be updated to reference to the SLA, and that the SLA specifies the service level based liquidated damages.

If there are no liquidated damages this section may be deleted.

**Note: The damages listed in the template are examples to demonstrate format, not provide recommendations – those, if any, must be determined based on City business requirements of the hosted system. See the Liquidated damages section of the SaaS Contract Template.**

Item	Service Standard	Liquidated Damages
Support calls - Severity Level 1 callback time	Vendor must respond back to City in 30 minutes or less from the time the City called	City shall assess up to \$1000 for failure to respond to a Level 1 call within the standard
Support calls - Severity Level 2 callback time	Vendor must respond back to City in 30 minutes or less from the time the City called	City shall assess up to \$ 500 for failure to respond to a Level 1 call within the standard
Availability	99.99% Availability excluding scheduled maintenance	City shall assess up to \$ 1000 for each 5 hour increment the system is unavailable beyond the service target.
Severity Level 1 Problem Management	100% resolved within 8 hours	\$1,000/24 hour period 0 to 72 hours beyond standard \$ 2000/24 hour period 73 to 168 hours beyond standard \$ 3000/24 hour period >168 hours beyond standard
Data Retention	Vendor must provide City a monthly copy of City data	City shall assess up to \$1,000 per day for each calendar month the data is late
Data Security	The Vendor will manage City data at or above the same level of City security minimum requirements as established by the Contract	City shall assess up to \$ 300 for each person impacted for each for each security breach occurrence City shall also assess the costs of providing all necessary notifications