SERVICE LEVEL AGREEMENT (SLA) EXAMPLES AND TEMPLATE



Most service providers understand the need for service level agreements (SLAs) with their partners and customers. But creating one might feel daunting because you don't know where to start or what to include. In this article, we share some SLA examples and templates to help you create SLAs.

What is an SLA?

An SLA is a <u>documented agreement</u> between a service provider and a customer that defines: (i) the level of service a customer should expect, while laying out the metrics by which service is measured, as well as (ii) remedies or penalties should agreed-upon service levels not be achieved. It is a critical component of any technology vendor contract.

Before subscribing to an IT service, the SLA should be carefully evaluated and designed to realize maximum service value from an end-user and business perspective. Service providers should pay attention to the differences between <u>internal outputs and customer-facing outcomes</u>, as these can help define the service expectations.

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Writing SLAs: An SLA template

Let's examine a sample SLA that you can use as a template for creating your own SLAs. Remember that these documents are flexible and unique. Make changes as necessary, and ensure that you correctly identify and include the relevant parties. Also, consider additional topics that you may want to add to your agreement(s) to enhance them, such as:

- **Review or monitoring period.** How often the service provider and customer may review the terms of the SLA; perhaps, annually.
- Service credits. Something the service provider may offer in case your SLA is not achieved.
- A rider. Used when amendments to an SLA occur.
- End-of-contract or liquidation terms. This defines how and when customer or service provider can opt out of the SLA.

There are several ways to write an SLA. Below is a mock table of contents that you can leverage to start writing your own SLAs.

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	📕 Now, I'll break down ea

section with a few details and examples.

1.0 SLA

The first page of your document is simple, yet important. It should include:

- Version details
- Document change history, including last reviewed date and next scheduled review
- Document approvals

Document details & change history

Version Date Description Authorization

...

Document approvals

...

....

Name Role Signature Date

...

Last Review: MM/DD/YYYY

Next Scheduled Review: MM/DD/YYYY

2.0. Agreement overview

In the next section, the agreement overview should include four components:

- 1. The SLA introduction
- 2. Definitions, convention, acronyms, and abbreviations (a glossary)
- 3. Purpose
- 4. Contractual parameters

2.1. SLA introduction

Include a brief introduction of the agreement, relevant parties, service scope, and contract duration. For instance:

This is a Service Level Agreement (SLA) between and . This document identifies the services required and the expected level of services between MM/DD/YYYY to MM/DD/YYYY.

Subject to review and renewal scheduled by MM/DD/YYYY.

Signatories:

2.2. Definitions, conventions, acronyms, and abbreviations

Include a definition and brief description of terms used to represent services, roles, metrics, scope, parameters, and other contractual details that may be interpreted subjectively in different contexts. This information may also be distributed across appropriate sections of this document instead of collated into a single section.

Term	Description
SLA	Service Level Agreement
Accuracy	Degree of conformance between a result specification and standard value.
Timeliness	The characteristic representing performance of action that leaves sufficient time remaining to maintain SLA service expectation.
IT Operations Department	A business unit of responsible for internal IT operations.

2.3. Purpose

This section defines the goals of this agreement, such as:

The purpose of this SLA is to specify the requirements of the software-as-a-service (SaaS) solution as defined herein with regards to:

- Requirements for SaaS service that will be provisioned to
- Agreed service targets
- Criteria for target fulfilment evaluation
- Roles and responsibilities of
- Duration, scope, and renewal of this SLA contract
- Supporting processes, limitations, exclusions, and deviations.

2.4. Contractual parameters

In this section, you'll want to define the policies and scope of this contract related to application, renewal, modification, exclusion, limitations, and termination of the agreement.

This section specifies the contractual parameters of this agreement:

- 1. Contract renewal must be requested by at least 30 days prior to expiration date of this agreement.
- 2. Modifications, amendments, extension, and early termination of this SLA must be agreed by both signatory parties.
- 3. requires a minimum of 60 days' notice for early termination of this SLA.

4. ...

3.0. Service agreement

This section can include a variety of components and subsections, including:

- 1. KPIs and metrics
- 2. Service levels, rankings, and priority
- 3. Service response
- 4. Exceptions and limitations
- 5. Responses and responsibilities
- 6. Service management

3.1. KPIs and metrics

Key performance indicators (KPIs) and other related metrics can and should support your SLA, but the achievement of these alone does not necessarily result in the desired outcome for the customer.

Metric	Commitment Measurement	
Availability	MTTR (mean time to repair)	
Reliability	MTTF (mean time to failure)	
Issue Recurrence		

3.2. Service levels, rankings, and priority

Severity Level Description

Target Response

1. Outage	SaaS server down	Immediate
2. Critical	High risk of server downtime	Within 10 minutes
3. Urgent	End-user impact initiated	Within 20 minutes
4. Important	Potential for performance impact if not addressed	Within 30 minutes
5. Monitor	Issue addressed but potentially impactful in the future	e Within one business day
6. Informationa	l Inquiry for information	Within 48 hours

3.3. Service response

Service	Description	SLA Target	Performance Metric	Measurement
Cloud Service A	Interdepartmental communication service	99.999%	Resource Availability	MTTR, MTTF
Cloud Storage A	Storage service	99.9999%	Resource Availability, Response Time	MTTR, MTTF, Percentage Capacity Utilization
Cloud Networking A	Hardware Endpoints	99.999%	Resource Utilization, Response Time	MTTR, MTTF, Data transmission rate

3.4. Exceptions and limitations

Include any exceptions to the SLA conditions, scope, and application, such as:

This SLA is subject to the following exceptions and special conditions:

- must ensure cloud service availability of 99.9999% during holiday season dated MM/DD/YYYY to MM/DD/YYYY.
- may not be liable to credit reimbursement for service impact to data centers in Region A and Region B due to natural disasters.
- Response to requests of severity level 6 or below by can be delayed up to 24 hours during the aforementioned holiday season.
- Requests for special arrangements by may be expedited as per pricing structure specified in Appendix A.1.

3.5. Responses and responsibilities

Here, you'll define the responsibilities of both the service provider and the customer.

responsibilities:

- should provide all necessary information and assistance related to service performance that allows the to meet the performance standards as outlined in this document.
- shall inform regarding changing business requirements that may necessitate a review, modification, or amendment of the SLA.

• ...

responsibilities

- will act as primary support provider of the services herein identified, except when third-party vendors are employed, who shall assume appropriate service support responsibilities accordingly.
- will inform regarding scheduled and unscheduled service outages due to maintenance, troubleshooting, or disruptions, or as otherwise necessary.

• ...

3.6. Service management

Include service management and support details applicable to the service provider in this section.

3.6.1. Service availability

Service coverage by the as outlined in this agreement follows the schedule specified below:

- On-site support: 9 AM to 6 PM, Monday to Friday, from January 5, 2023 to December 20, 2023.
- Phone support: 24 hours as per Section 3.2. of this agreement.
- Email support: 24 hours as per Section 3.2. of this agreement.

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References and glossary

Include reference agreements, policy documents, glossary, and relevant details in this section. This might include terms and conditions for both the service provider and the customer, and any additional reference material, such as third-party vendor contracts.

Appendix

The appendix is a good place to include relevant information that doesn't seem to fit elsewhere, such as pricing models and charges. The following section is an example of information that you may want to append to your SLA.

A.1. Pricing models and charges

Include the pricing models for each service type with detailed specifications.

Service	Capacity	7 Type – Throughput	: Price
Cloud Storage A			
Option			
А	500GB	HDD – 250 MB/s	\$5.00/Mo
В	10TB	SSD – 500 MB/s	\$10.00/Mo
С	50TB	SSD – 1000 MB/s	\$15.00/Mo
Additional Storage	<u>,</u>		
A.1	100GB	HDD – 250 MB/s	\$1.00/Mo
B.1	2TB	SSD – 500 MB/s	\$2.00/Mo
C.1	10TB	SSD – 1000 MB/s	\$4.00/Mo

SLA best practices

Though your SLA is intended to be a legally binding agreement, it doesn't need to be incredibly lengthy or overly complicated. It can further be a malleable document that is improved upon over time, with the consent of all relevant parties. Our advice: Begin building an SLA using the template above and the examples found herein and consult with your customers for any perceived gaps. As unforeseen circumstances are often inevitable, you can always revisit and tweak the SLA, if needed.

Additional resources

Additional SLA templates and examples are available here:

- <u>Columbia University IT (PDF)</u>
- <u>Giva (PDF)</u>
- PandaDoc
- <u>SLA Template</u>