

SOFTWARE SERVICE AGREEMENT

Contract ID: SSA-2025-0001

Effective Date: January 15, 2025

Contract Term: 24 months

PARTIES

Service Provider:

TechSolutions Inc.
123 Innovation Drive
San Francisco, CA 94105
Phone: (415) 555-0123
Email: contracts@techsolutions.com
Federal Tax ID: 12-3456789

Customer:

Global Manufacturing Corp
456 Industrial Boulevard
Detroit, MI 48201
Phone: (313) 555-0456
Email: procurement@globalmanuf.com
Account Number: GM-2025-001

Authorized Representatives:

- Service Provider: Sarah Johnson, VP of Sales
- Customer: Michael Chen, Director of IT Procurement

SERVICE DESCRIPTION

Primary Services:

- 1. Cloud Infrastructure Management**
 - 24/7 server monitoring and maintenance
 - Backup and disaster recovery services
 - Security updates and patch management
 - Quantity: 50 virtual servers
 - Unit Price: \$150.00 per server per month
- 2. Software License Management**
 - Enterprise software licensing
 - User access management
 - License compliance monitoring

- Quantity: 200 user licenses
 - Unit Price: \$45.00 per license per month
3. **Technical Support Services**

- Tier 1-3 technical support
- Remote troubleshooting
- On-site support (when required)
- Hours: 8x5 business hours support
- Unit Price: \$2,500.00 per month (flat rate)

FINANCIAL TERMS

Monthly Recurring Costs:

- Cloud Infrastructure: \$7,500.00 (50 servers × \$150.00)
- Software Licenses: \$9,000.00 (200 licenses × \$45.00)
- Technical Support: \$2,500.00 (flat rate)
- **Total Monthly Amount: \$19,000.00**

One-Time Setup Costs:

- Initial system configuration: \$5,000.00
- Data migration services: \$3,500.00
- Staff training (40 hours): \$6,000.00
- **Total One-Time Amount: \$14,500.00**

Annual Contract Value: \$228,000.00 + \$14,500.00 setup = \$242,500.00

PAYMENT TERMS

Payment Schedule: Monthly recurring billing

Payment Terms: Net 30 days from invoice date

Payment Due Date: 30th of each month for following month's services

Payment Method: ACH transfer to designated bank account

Late Payment: 1.5% monthly interest on overdue amounts

Banking Information:

- Bank: First National Bank
- Account: 1234-5678-9012
- Routing: 123456789

Billing Contact:

- Name: Jennifer Walsh, Accounts Receivable Manager
- Email: billing@techsolutions.com
- Phone: (415) 555-0199

SERVICE LEVEL AGREEMENTS (SLA)

Availability Commitments:

- Cloud Infrastructure Uptime: 99.9% monthly availability
- Support Response Time:
 - Critical issues: 1 hour response
 - High priority: 4 hours response
 - Medium priority: 8 hours response
 - Low priority: 24 hours response

Performance Metrics:

- System response time: < 2 seconds for 95% of requests
- Backup success rate: 99.5% monthly
- Security patch deployment: Within 48 hours of release

Service Credits:

- 5% monthly fee credit for each 0.1% below 99.9% availability
- \$500 credit for each SLA response time violation
- Maximum monthly credits: 25% of monthly fees

CONTRACT RENEWAL AND TERMINATION

Renewal Terms:

- Contract auto-renews for additional 12-month periods
- Either party may terminate with 90 days written notice
- Pricing adjustments limited to 5% annually

Termination Conditions:

- Material breach with 30-day cure period
- Non-payment after 60 days past due
- Mutual agreement of both parties

ADDITIONAL TERMS

Data Security:

- SOC 2 Type II compliance required
- Data encryption at rest and in transit
- Annual security audits and reporting

Liability:

- Service Provider liability limited to 12 months of fees paid

- Customer responsible for data backup verification
- Force majeure protections for both parties

Governing Law: State of California

Dispute Resolution: Binding arbitration in San Francisco, CA

SIGNATURES

Service Provider:

Sarah Johnson
VP of Sales, TechSolutions Inc.
Date: January 15, 2025

Customer:

Michael Chen
Director of IT Procurement
Global Manufacturing Corp
Date: January 15, 2025

Contract Summary:

- Contract Type: Recurring Service Agreement
- Total Annual Value: \$242,500.00
- Monthly Recurring Revenue: \$19,000.00
- Contract Duration: 24 months
- Payment Terms: Net 30
- Auto-Renewal: Yes (12-month terms)

Key Performance Indicators:

- Service uptime target: 99.9%
- Critical support response: 1 hour
- Maximum service credits: 25% monthly fees