**Managing IT Outsourcing**

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**SERVICE LEVEL AGREEMENT**

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# ABOUT THIS SLA

## Purpose and background

### **(Purpose)** This Service Level Agreement aims to identify the accountabilities of the Level 1 Helpdesk and the Client with regard to providing Services, such as logging calls, providing basic support, and troubleshooting.

* + 1. **(Background)** This SLA is just one of many schedules to the whole Contract.
  1. **Format**
     1. **(Format)** This SLA has several key sections, they are as follows:

1. **Section 1: Context** – this section contains an overview of this SLA.
2. **Section 2: Scope Overview** – this section provides a summary table of the obligations of both parties
3. **Section 3:** **Service Specification** – this section specifies the detailed responsibilities of the Level 1 Helpdesk with regard to providing the Services.
4. **Section 4: KPIs** – this section lists the standard and formula to be used in order to gauge the performance of the Level 1 Helpdesk.
5. **Section 5: Effect of KPI Performance** – this section gives the details of the effect of the Level 1 Helpdesk’s performance.
6. **Attachment** – this section includes the glossary that has been used in this SLA.
7. **SCOPE OVERVIEW**

## Responsibility matrix

|  |  |  |
| --- | --- | --- |
| **Service** | **Responsibility** | |
| **Service Provider** | **Client** |
| [**1. Call Registration and Logging (section 3.1)**](#_Call_registration_and) |  |  |
| [1.1 Provide and maintain the Logging System](#_(Provide_and_maintain) | **√** |  |
| [1.2 React to the call](#_(Record_the_call)) | **√** |  |
| [1.3 Provide and maintain Customer Identification Database](#_(Provide_and_maintain_1) |  | **√** |
| [1.4 Log caller’s details and inquiry/fault](#_(Log_caller’s_details) | **√** |  |
| [**2. Call Distribution and Troubleshooting (section 3.2)**](#_Call_distribution_and) |  |  |
| [2.1 Diagnose caller’s inquiry/fault](#_(Diagnose_caller’s_inquiry/fault)) | **√** |  |
| [2.2 Provide necessary resolution](#_(Provide_necessary_resolution)) | **√** |  |
| [2.3 Assign the problem forward](#_(Assign_the_problem) | **√** |  |
| [2.4 Produce notification](#_(Produce_notification)_When) | **√** |  |
| [**3. Call Monitoring (section 3.3)**](#_Call_monitoring) |  |  |
| [3.1 Provide the Call Monitor System](#_(Provide_the_Call) |  | **√** |
| [**4. Reporting (section 3.4)**](#_Reporting) |  |  |
| [4.1 Report Monthly number of Calls Logged](#_(Report_Monthly_number) | **√** |  |
| [4.2 Report Monthly Response Time Profile](#_(Report_Monthly_Response) | **√** |  |
| [4.3 Customise and log caller’s resolution report](#_(Customise_and_log) |  | **√** |
| [**5. Metric (section 3.5)**](#_Metric) |  |  |
| [5.1 Provide the Metric Of Reporting](#_(Provide_the_Metric) |  | **√** |
| [5.2 Prepare and maintain the Warranty](#_(Prepare_and_maintain) |  | **√** |
| [5.3 Provide the standard of Call Type](#_(Provide_the_standard) |  | **√** |

# WORK SPECIFICATIONS

## Call registration and logging

### (**Provide and maintain the Logging System**) The Contractor must:

### design and operate the Logging System which totally covers the scope of this SLA; and

1. ensure the functions of Logging System are in the Good Performance.

### (**React to the call**) The Contractor must:

### answer the call Immediately while the Contractor is not Occupied from 7:30am to 6:30pm Monday to Friday excluding Public Holidays;

### record the call to the Logging System before answering it;

### log the Reaction Time into the Logging System (refers to the KPI in [**section 4.2**](#_Call_registration_and_1)); and

1. enable the call to be monitored through the Call Monitor System before answering it.

### (**Provide and maintain Customer Identification Database**) The Client must provide the Customer Identification Database and ensure it is in the Good Performance.

### (**Log caller’s details and inquiry/fault**) The Contractor must:

### gather caller’s identification details through the call, such as name, phone number, email address, etc.

1. identify the caller with Customer Identification Database;
2. log this call as a new calling record into the Logging System; and
3. summarize caller’s inquiry/fault less than 150 words into the new calling record (set up in 3.1.4.c).

## Call distribution and Troubleshooting

### (**Diagnose caller’s inquiry/fault**) The Contractor must distinguish the Call Type through the Call and determine the Priority Level according to the table in[**section 3.5.3**](#_(Provide_the_standard_1);

1. For each Call Type, the Contractor must response the caller within Response Time refers to the KPI specified in [**section 4.3**](#_Call_distribution_and_1);
2. When a fault has not been Cleared within the Escalation Time, escalation will apply to a higher Priority Level, unless the Resolution Time has been determined and agreed by the caller.

### (**Provide necessary resolution**) If the caller’s inquiry/fault is under the Level 1 Helpdesk’s Supervision, the Contractor must respond the caller with the corresponding resolution, within the Response Time according to the Priority Level, refers to the KPI in [**section 4.3**](#_Call_distribution_and_1)

### (**Assign the problem forward**) If the caller’s inquiry/fault is out of the Level 1 Helpdesk’s Supervision, the Contractor must:

1. according to the Priority Level and Escalation Time, dispatch the problem to Level 2-3 Helpdesk, and respond to the caller within Response Time; or
2. according to the Warranty, assign the problem to a specialised skill group within the Service Provider, or to a Third Party, and respond to the caller within Response Time.

### (**Produce notification**) When the Service Provider is providing on-site support, the Contractor must notify the customer by phone or paper within 3 hours from getting the news.

## Call monitoring

### (**Provide the Call Monitor System**) The Client must provide the Call Monitor System, and ensure it is in the Good Performance.

## Reporting

### (**Report Monthly number of Calls logged**) The Contractor must report the number of Calls Logged Monthly to the Client, according to the Metric Of Reporting. The report must include, but not limited to the number of Calls, Valid Calls, and Solved Calls.

### (**Report Monthly Response Time Profile**) The Contractor must report the Response Time of each Calls, in the Response Time Profile, to the Client Monthly, with regard to the Metric Of Reporting. The Response Time Profile also includes, but not limited to the Call Type of the Call.

### (**Customise and log caller’s resolution report**) The Client customise each caller’s resolution report including the fault and the solution to it.

## Metric

### (**Provide the Metric Of Reporting**) The Client must prepare the Metric Of Reporting as the standard of Monthly reports.

### (**Prepare and maintain the Warranty**) The Client must provide and manage the Warranty.

### (**Provide the standard of Call Type**) The Client must prepare the standard of Call Type. The table for the description of Call Type is in Appendix 6.3:

# KPIs

## Overview

### (**Measurement**) The Contractor must:

1. provide and maintain the measurement of Contractor’s performance accurately with regards to the KPIs; and
2. provide and maintain access to the Client upon request to verify the accuracy of KPI calculations.

## [Call registration and logging (specification in section 3.1)](#_Call_registration_and_2)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Calculation** | | | **Performance Points** | |
| **KPI** | **Minimum Standard** | **Target** | **Frequency** | **Formula** | **Source data** | **Failure to meet Min Std** | **Target Met** |
| React to the call | 1. 90% of Calls answered within 60 seconds; 2. Residual of Calls answered within 90 seconds | 100% of Calls answered within 60 seconds | Monthly | # Calls answered within 60 seconds / # Calls  # Calles answered within 90 seconds / # Calls | * Reaction Time of each Calls in Logging System * The number of Calls Logged report specified in section 3.4.3 | -1 points per Calls below the Minimum Standard | +10 points |

## Call distribution and troubleshooting (specified in section 3.2)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Calculation** | | | **Performance Points** | |
| **KPI** | **Minimum Standard** | **Target** | **Frequency** | **Formula** | **Source data** | **Failure to meet Min Std** | **Target Met** |
| 1. Respond the Call | **(a.)** 100% of Critical Calls responded within 1 hr;  **(b.)** 100% of Urgent Calls responded within 4 hrs;  **(c.)** 100% of Standard Calls responded within 8 hrs;  **(d.)** 100% of Minor Calls responded within 24 hrs; | **(a.)** For Critical Calls, responded within 5 mins;  **(b.)** For Urgent Calls, responded within 15 mins;  **(c.)** For Standard Calls, responded within 1 hr;  **(d.)** For Minor Calls, responded within 4 hrs; | Monthly | # Critical Calls responded within 1 hr / # Critical Calls;  # Urgent Calls responded within 4 hr / # Urgent Calls;  # Standard Calls responded within 8 hr / # Standard Calls;  # Minor Calls responded within 24 hr / # Minor Calls; | Response Time Profile | -5 points per Calls below the Minimum Standard | +3 points each Calls met the Target |
| 1. Efficient of Solved Calls | 100% of Valid Calls are Solved Calls | n/a | Monthly | # Solved Calls / # Valid Calls; | The number of Calls Logged report specified in section 3.4.3 | -5 points per 1% below the Minimum Standard | n/a |

# Performance Management Scheme

## Overview

### (**Calculation**) The calculation of KPI Points is specified in section 4.

### (**Value**) Each Point worth A$1,000, and will be settled and paid Annually.

## Rewards of Good KPI Performance

The following rewards will occur when Contractor is doing a Good KPI Performance:

### (**Financial reward**) The Client will calculate the Point into money, offering to the Contractor Annually and provide the invoice, according to the section 5.1.2;

### (**Reference site**) The Client will reference the Contractor as Outstanding Partner on the Client’s Website.

## Recourses of Poor KPI Performance

The following recourses will occur when Contractor is doing a Poor KPI Performance:

### (**Financial recourse**) The Contractor will offer the calculated money to the Client Annually and provide the invoice, according to the section 5.1.2;

### (**Show cause**) When the Contractor is doing a Poor KPI Performance for 2 consistent Months, the Contractor must attend the meeting in person with the Client explaining the reasons for this situation, and provide a specific written plan to overcome it. The Contractor must answer any questions that the Client asks in the meeting.

### (**Termination**) If the Contractor is still doing a Poor KPI Performance in the following Month of attending the show cause (section 5.3.2). The Client has the absolute right to terminate this contract. (The termination of will be illustrated in the residual part of this contract).

# Glossary

## Reserved words

|  |  |
| --- | --- |
| **Reserved word/phrase** | **Definition** |
| **Annually** | On the last day of every calendar year |
| **Calls** | A kind of conversation through telephone. This conversation is made to the Contractor |
| **Calls Logged** | The valid calls that logged in the Logging System |
| **Call Monitor System** | A system used to monitor the Calls |
| **Call Type** | There are four Call Types according to the table in section 6.3 |
| **Cleared** | Figured out and determined the Call Type of this Call |
| **Client** | [Client Name] |
| **Client’s Website** | It is the official website of the Client |
| **Contractor** | [Contractor Name] |
| **Customer** | Any individuals that use the Service |
| **Customer Identification Database** | It is the database that contains all customer’s identification methods, such as passwords |
| **Escalation Time** | Maximum time of responding to the caller according to the table in section 3.5.3 |
| **Good KPI Performance** | The KPI Point is not a negative number |
| **Good Performance** | Able to work, and at least achieve the minimum standard KPI |
| **Immediately** | Within 90 seconds at most (see detailed KPI in section 4) |
| **Level 1 Helpdesk** | A group of people providing basic support to the customers |
| **Level 1 Helpdesk’s Supervision** | Basic support and troubleshooting, such as password resets, printer configurations, break/fix instructions, ticket routing and escalation to Levels 2-3 |
| **Logging System** | The system used to log the details of the Call (section 3.1.1)  Functions are including but not limited to recording calls, logging caller’s details and inquiry/fault, editing caller’s details and inquiry/fault, and storing caller’s reports. |
| **Metric of Reporting** | The standard of monthly report provided by the Client (will be discussed in residual contract) |
| **Monthly** | On the last day of every calendar month |
| **Occupied** | Servicing for another customer, including answering another customer’s call, and dispatching customer’s fault to Level 2-3 Helpdesk/the Third Party/the specialised group within the Service Provider |
| **Outstanding Partner** | This is a section of the content on the Client’s Website |
| **Point** | The points refer to the KPI points reflecting the performance of the Contractor |
| **Poor KPI Performance** | The KPI Point is a negative number |
| **Priority Level** | There are four levels according to the table in section 3.5.3 |
| **Public Holidays** | Public holidays in Australia |
| **Response Target** | Target time of responding to the caller according to the table in section 3.5.3 |
| **Response Time** | The time that cost by the Contractor from answering the Call to responding caller with the resolution or dispatch |
| **Response Time Profile** | The profile of responding time to each call |
| **Resolution Time** | The time that will be cost to solve this problem |
| **Service** | The work performed by the Contractor under this SLA |
| **Service Provider** | [Contractor Name] |
| **Solved Calls (Solved)** | The caller’s fault/inquiry of this Call has been solved and caller agreed with the solution |
| **Third Party** | A service provider ?? |
| **Valid Calls** | The caller of this Call is one of Client’s customer, and calling for inquiry or fault on purpose |
| **Warranty** | A maintenance agreement or warranty that covers some items |

## Acronyms

|  |  |
| --- | --- |
| **Acronyms** | **Definition** |
| KPI | Key Performance Indicator |
| Min Std | Minimum Standard |
| SLA | Service Level Agreement |

## Call Type

|  |  |  |  |
| --- | --- | --- | --- |
| **Description of Call Type** | **Priority Level** | **Response Target** | **Escalation Time** |
| Critical: There is a total system outage affecting the business operation | 1 | 5 mins | 1 hour |
| Urgent: There is a partial system outage restricting business | 2 | 15 mins | 4 hours |
| Standard: System performance is restricted, but most business functions are available | 3 | 1 hour | 8 hours |
| Minor: Single user, low impact on business operations or call is for information | 4 | 4 hours | 24 hours |