

What is an SLA?

A service level agreement (SLA) is a [documented agreement](#) between a service provider and a customer that identifies both the services required and the expected level of service. The agreement varies between vendors, services, and industries.

Before subscribing for 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 [internal outputs and customer-facing outcomes](#), as these can help define the service expectations.

Writing SLAs: an SLA template

The SLA is a documented agreement. Let's look at 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, as long as you include the relevant parties—particularly the Customer. And consider additional topics you may want to add agreements on, such as:

Review or monitoring. How often the Service Provider and Customer may review the SLA, perhaps annually.

Service credits. Something the Service Provider may offer in case your SLA is not achieved.

Rider. Used when amendments occur.

End-of-contract or liquidation terms. Defining 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 (TOC), which you can use as a starting template for writing your own service level agreements.




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Now, I'll break down each section with a few details and examples.

1.0 Service Level Agreement

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

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

1. 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, concerning parties, service scope and contract duration. For instance:

This is a Service Level Agreement (SLA) between [Customer] and [Service Provider]. 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 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 so as to maintain SLA service expectation.
IT Operations Department	A unit of <i>[Customer]</i> 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 SaaS service as defined herein with regards to:

Requirements for SaaS service that will be provisioned to [Customer]

Agreed service targets

Criteria for target fulfilment evaluation

Roles and responsibilities of [Service Provider]

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 [Customer] 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. [Customer] 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. into the following components:

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
Reliability		MTTF
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	Within one business day
6. Informational	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:

[Service Provider] must ensure Cloud Service A availability of 99.9999% during holiday season dated MM/DD/YYYY to MM/DD/YYYY.

[Service Provider] 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 [Customer] can be delayed up to 24 hours during the aforementioned holiday season.

Requests for special arrangements by [Customer] 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.

[Customer] responsibilities:

[Customer] should provide all necessary information and assistance related to service performance that allows the [Service Provider] to meet the performance standards as outlined in this document.

[Customer] shall inform [Service Provider] regarding changing business requirements that may necessitate a review, modification, or amendment of the SLA.

...

[Service Provider] responsibilities

[Service Provider] 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.

[Service Provider] will inform [Customer] regarding scheduled and unscheduled service outages due to maintenance, troubleshooting, 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 [Service Provider] as outlined in this agreement follows the schedule specified below:

On-site support: 9:00 A.M. to 6:00 P.M, Monday to Friday between January 5, 2020 to December 20, 2020.

Phone Support: 24-Hours as per Section 3.2. of this agreement.

Email Support: 24-Hours as per Section 3.2. of this agreement.

...

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, like third-party vendor contracts.

Appendix

The appendix is a good place to store relevant information that doesn't fit elsewhere, such as pricing models and charges. The following section is an example of information 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	Type – Throughput	Price
Cloud Storage A			
Option			
A	500GB	HDD – 250 MB/s	\$5.00/Mo
B	10TB	SSD – 500 MB/s	\$10.00/Mo
C	50TB	SSD – 1000 MB/s	\$15.00/Mo
Additional Storage			
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 a documented agreement, it doesn't need to be lengthy or overly complicated. It is a flexible, living document. My word of advice? Build one using this template and examples and consult with your customers for any perceived gaps. As unforeseen instances are inevitable, you can revisit and tweak the SLA as needed.

Additional resources

Additional SLA templates and examples are available here:

[Columbia University IT \(PDF\)](#)

[University of Connecticut \(PDF\)](#)

[Giva \(PDF\)](#)

[PandaDoc](#)

[SLA template](#)