Vendor SLA Standards

Version 1.3

Effective Date: June 20, 2025

Nexlify Solutions

Contents

1 Introduction

This Vendor SLA Standards document establishes service-level agreement (SLA) requirements for vendors, covering uptime guarantees, penalties for non-compliance, and support response times. These standards ensure high-quality, reliable service delivery for Nexlify Solutions manufacturing operations, minimizing disruptions to production schedules.

2 Uptime SLAs

2.1 Purpose

To ensure vendors provide reliable services and equipment with minimal disruptions to manufacturing processes.

2.2 Policy Details

- **Minimum Uptime Guarantee**:

  - Critical services (e.g., SaaS platforms for production tracking, manufacturing equipment): 98% uptime monthly to support continuous operations.
  - Non-critical services (e.g., ancillary software tools): 95% uptime monthly to ensure operational efficiency.
  - Uptime requirements must be explicitly stated in the contract with measurable metrics.

- **Uptime Measurement**:

  - Calculated as: (Total Available Minutes - Downtime) / Total Available Minutes * 100, measured monthly.
  - Downtime excludes scheduled maintenance, which requires 7 days prior notice and must occur outside peak production hours (8 AM6 PM).
  - Vendors must provide uptime reports monthly via the vendor portal, including detailed downtime logs.
  - Example: A production management SaaS platform with 43,200 available minutes in a 30-day month must have less than 864 minutes of downtime to meet 98% uptime.

3 Penalties for Non-Compliance

3.1 Purpose

To enforce accountability for failing to meet SLA standards, ensuring vendors prioritize service reliability.

3.2 Policy Details

- **Penalty Structure**:

    - Uptime below 98% for critical services: 5% credit on monthly invoice per 1% below target, capped at 25% of the invoice.

    - Uptime below 95% for non-critical services: 3% credit per 1% below target, capped at 15% of the invoice.

    - Credits applied to the next invoice or refunded within 30 days if the contract ends.

    - Example: A critical service with 96% uptime incurs a 10% invoice credit (2% below target * 5%).

- **Repeated Non-Compliance**:

    - Three consecutive months of non-compliance triggers a 30-day corrective action plan, developed jointly with the vendor.

    - Plan includes root cause analysis, remediation steps, and weekly progress reports.

    - Failure to improve within 30 days may lead to contract termination or reduced contract scope.

4 Support Response Times

4.1 Purpose

To ensure timely vendor response to service issues, minimizing operational impacts on manufacturing processes.

4.2 Policy Details

- **Critical Issues**:

    - Response time: Within 4 hours of issue report, defined as acknowledgment and initial troubleshooting steps.

    - Resolution time: Within 24 hours or as agreed in the contract, with temporary workarounds provided if resolution is delayed.

    - Example: A critical issue with a robotic arm requires vendor acknowledgment within 4 hours and full repair within 24 hours.

- **Non-Critical Issues**:

    - Response time: Within 24 hours of issue report, with a detailed action plan provided.

    - Resolution time: Within 72 hours or as agreed, with regular updates to Nexlify Solutions.

    - Example: A non-critical software bug requires a vendor response within 24 hours and a patch within 72 hours.

- **Reporting Requirements**:

  - Issues must be reported via the vendor portal with a ticket number, including issue description, impact, and urgency level.
  - Vendors must provide status updates every 12 hours for critical issues and every 24 hours for non-critical issues.
  - Escalation to Vendor Manager required if response times are not met, with potential penalties for repeated delays.

5 Appendix: Contact Information

- **Vendor Manager**: vendors@nexlifysolutions.com

- **Procurement Team**: procurement@nexlifysolutions.com

- **Vendor Portal**: https://vendor.nexlifysolutions.com

6 Document History

- **Version 1.3**: Expanded uptime, penalty, and response time details, June 2025.

- **Version 1.0**: Initial draft, January 2023.