



Sample – Service Level Agreement

Managed Services

Prepared for **CLIENT NAME** by **PETRYNA ADVERTISING**

Version 0.1

PETRYNA ADVERTISING will deliver valuable and highly effective Managed Services to CLIENT NAME.

Contact Information

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Purpose

This Service Level Agreement (this “SLA”) is made under the Master Services Agreement #XXX (the “MSA”) dated _____ between PETRYNA ADVERTISING Limited (“PETRYNA ADVERTISING”) and Customer (“Client”). In connection with this SLA and the MSA, PETRYNA ADVERTISING and Client have executed a Statement of Work (“SOW”) dated _____ 2016 which describes certain services to be provided by PETRYNA ADVERTISING to Client (for the purposes of this SLA, the “Services”). This SLA sets out certain service levels (the “**Service Levels**”) that are applicable to the Services.

Definitions

For the purposes of this SLA, the following definitions shall apply:

“Availability” means the percentage time that Client’s Hardware and Software are usable by Client.

“Availability Target” refers to the minimum Availability levels PETRYNA ADVERTISING will provide to Client. The targets and timelines for different Availability measures are set out in Section 5.

“Business Day” means Monday to Friday, excluding Canadian statutory holidays.

“Business Hours” for PETRYNA ADVERTISING means the hours between 8:30 a.m. and 5:00 p.m. EST on Business Days.

“Service Desk” means the support contact information provided by PETRYNA ADVERTISING to assist Client employees and clients.

“Desktop” means computer workstations and laptops.

“Hardware” means the physical equipment of computing and computing-directed activities or the physical components of a computer system.

“Incident” means an event which is not part of the standard operation of a service and which causes or may cause disruption to or a reduction in the quality of services and Client productivity

“Incident Acknowledgment” means the acknowledgement by the Service Desk of receipt of an Incident Notification, communicated via telephone or email to the Client representative that issued the Incident Notification and the issuance of a time-stamped ticket by PETRYNA ADVERTISING within PETRYNA ADVERTISING’s Incident management system in respect of the Incident.

“Incident Notification” means an Incident notification delivered by an authorized Client individual to the PETRYNA ADVERTISING’s Service Desk (either by phone or by email).

“Incident Management” means the steps taken by first- or second-level support personnel to Resolve Incidents.

“Infrastructure” means systems, network devices and configurations.

“Maintenance Windows” refers to the periods between 10:00 p.m. to 2:00 a.m. EST Fridays when all or part of the Infrastructure may be unavailable due to maintenance or Change activities. These periods are

not considered “downtime.” From time to time, PETRYNA ADVERTISING may apply wholesale upgrades and/or Changes outside of the Maintenance Windows. If this type of service is required, PETRYNA ADVERTISING shall provide Client with at least three Business Days’ prior written notice.

“Patch” means a piece of software designed to fix Incidents or update a computer program or its supporting data. Patches may be used to fix security vulnerabilities and other bugs, or improve usability or performance.

“Problem” means the unknown root cause of one or more existing or potential Incidents. Problems may sometimes be identified because of multiple Incidents that exhibit common symptoms. Problems can also be identified from a single significant Incident, indicative of a single error, for which the cause is unknown. Occasionally Problems will be identified well before any related Incidents occur.

“Problem Management” refers to the process whereby PETRYNA ADVERTISING will Resolve Problems.

“Production” means the applications and systems, as well as supporting systems infrastructure, that the end-users and customers of an organization access and use on an operational basis to execute their business processes and transactions.

“Production Support” means supporting the systems in Production state.

“Resolve” (“Resolved” or “Resolution”) means that PETRYNA ADVERTISING has produced a satisfactory solution to an Incident or Problem and that the Incident or Problem will not reoccur within a reasonable period of time.

“Resolve Target” refers to the maximum amount of time PETRYNA ADVERTISING may take to resolve an Incident.

“Response” refers to the process whereby an Incident ticket is generated by the Service Desk or by automated notification and assigned to a resource capable of Resolving the Incident who will then contact the appropriate resource at Client.

“Service Level Credit” means the amount that Client shall be entitled to deduct from the monthly fee payable to PETRYNA ADVERTISING. Service Level Credits are calculated in the manner prescribed in Section 6.

“Software” means the Desktop and server software programs.

“Upgrade” shall mean a Software version modification that increases system functionality.

Scope

The Managed Services listed below are subject to service levels further defined within this agreement.

- Managed Hosting Services

General Procedures

Incident Management

PETRYNA ADVERTISING's will deliver efficient response and consistent processing of support requests per the structure defined below:

- Client will initiate the support process by contacting PETRYNA ADVERTISING's single point of contact Service Desk via the supplied phone number and email address.
- PETRYNA ADVERTISING will deliver 7x24 monitoring of Infrastructure to ensure availability IT resources and efficient response to incidents or outages.
- Alerts generated by PETRYNA ADVERTISING's Network Management Systems will be escalated to appropriately skilled System Engineers for investigation and resolution.
- For Critical Priority incidents, clients are kept informed of progress via email or phone, typically both unless otherwise agreed upon. Updates are provided at each hour until the problem is solved.
- PETRYNA ADVERTISING maintains ownership of the issue and continues to remain accountable to the customer for updates and resolution even when the third party is engaged.

Notification Procedures

User Initiated Incident	
Incident Notification	Client notifies PETRYNA ADVERTISING via email with the details of the Incident
Initial Contact	PETRYNA ADVERTISING will contact the person who opened the issue. Contact can be made via email or telephone (with discretion based on the priority and nature of the issue).
In-Progress Contact	Once an Incident is being investigated, PETRYNA ADVERTISING will contact the person who opened the issue.
Resolution Contact	Once an Incident has been resolved, PETRYNA ADVERTISING will contact the person who opened the issue to ensure issue is resolved. Once resolution is established, the person who opened the issue will be notified of the resolution.

User Initiated Incident

Escalation Contact	If an incident exceeds the Resolution Target and is escalated to the next priority level, PETRYNA ADVERTISING will notify the person who opened the issue of this escalation.
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Non-User Initiated Incident

Initial Problem recognition	Once an incident is being investigated, PETRYNA ADVERTISING will contact the designated Client Stakeholder.
In-Progress investigation	Once an incident is being investigated, PETRYNA ADVERTISING will contact the designated Client Stakeholder.
Resolution notification	Once an incident is being investigated, PETRYNA ADVERTISING will the designated Client Stakeholder.
Escalation notification	If an incident exceeds the Resolution Target and is escalated to the next priority level, PETRYNA ADVERTISING will notify the person who opened the issue and the Client's Stakeholder of this escalation

Service Levels

Response & Resolution Targets

PETRYNA ADVERTISING will deliver services according to the targets defined in the following table:

Priority Level	Response Time	Resolve Target	Client Notification
Critical	7x24 15 Minutes	7x24 Resolution 2 hours or with continuous effort until Resolved	7x24 Immediate – IT Stakeholder
Urgent	7x24 15 Minutes	Business Hours Resolution 1 day or with continuous effort within Business Hours until Resolved	Business Hours Immediate – IT Stakeholder

Important	During Business Hours 60 Minutes	Business Hours Resolution 2 Business Days or with continuous effort during Business Hours until Resolved	Business Hours Immediate – IT Stakeholder
Informational/ Monitor	During Business Hours 120 Minutes	Business Hours Resolution 2 weeks or with continuous effort during Business Hours until Resolved	Business Hours IT Stakeholder

Availability Target

PETRYNA ADVERTISING will aim to achieve a target of 99.5% of system availability.

When calculating Availability, the following times will not be included:

- Maintenance Windows;
- down time caused by the non-availability of any services, networks or network equipment not owned or controlled by PETRYNA ADVERTISING, including switches and routers controlled by telecommunications companies;
- down time caused by unpreventable virus attacks or hackers (an unpreventable virus attack is a vulnerability not covered under the most current commercially available protection);
- down time caused by failure of third-party software, including, without limitation, e-commerce software, payment gateways, chat, statistics or free scripts;
- down time caused by the acts or omissions of Client or its personnel;
- down time caused by any negligence, willful misconduct, or use of the Services in breach of the terms and conditions of this SLA by any user of the applications and/or systems;
- Domain Name Server issues outside the direct control of PETRYNA ADVERTISING; or
- False outages reported as a result of errors in data logging.

Service Level Credits

Credits received by Client as a remedy for a Service Level Failure in respect of SL001 and SL002 will not exceed 25% of fees paid for that month for Managed Services.

Service Level Name:	Availability Target
Method of Calculation	<p>Availability during each month will be calculated using the following formula:</p> $\text{Availability} = ((\text{Scheduled Uptime} - \text{Unscheduled Downtime}) / \text{Scheduled Uptime}) \times 100$ <p>Unscheduled Downtime will be measured from the time elapsed between the Incident Acknowledgment in PETRYNA</p>

	<p>ADVERTISING's Incident Management System to when the Incident is Resolved. The Unscheduled Outage Minutes will not include elapsed time due to PETRYNA ADVERTISING waiting for Client response(s).</p> <p>"Scheduled Uptime" = Total Minutes in a Month – Scheduled Maintenance Window</p>
Service Level Goal and Details	<p>PETRYNA ADVERTISING will work with Client and 3rd parties to achieve a goal of 99.5% uptime.</p> <p>Faults in uptime are based on unplanned events within PETRYNA ADVERTISING's control, including system or application failures (including but not limited to failed hardware, over-heating, logically or physically severed network connections, and application, middleware and operating system failures). Items not covered are detailed in the exceptions section of the document.</p> <p>If downtime ever falls below the 99.5% minimum, Client will receive financial compensations:</p> <ul style="list-style-type: none"> ▪ Client will receive 5% per additional hour of downtime, to a maximum of 25% of the total Services amount. ▪ Availability, downtime and compensation amounts are based on monthly totals in minutes.

Service Level Name:	Response Targets
Method of Calculation:	Response times will be measured on an Incident-by-Incident basis and calculated as the period of time elapsed between the incident request and time stamped on the applicable Incident recorded in PETRYNA ADVERTISING's Incident Management System.
Service Level Requirement:	Critical Response Time = 15 mins
Service Level Failure:	Critical Response Time > 30 mins
Service Level Failure Remedy:	In the event of a Service Level Failure, Client will be credited 5% of the fees, and will be credited an additional 5% of such fees for each additional 30 minutes by which the Service Level Requirement is missed for a specific Incident to a maximum of 25% of the total Services amount.

Responsibility Matrix

Service Description	Client	PETRYNA ADVERTISING
IT Service Management	<ul style="list-style-type: none"> Designate a business owner who will collaborate with PETRYNA ADVERTISING throughout the term of this SOW Participate in scheduled meetings Communicate changes to business requirements through scheduled meetings 	<ul style="list-style-type: none"> Designate an Engagement Manager who will assume responsibility for all aspects of this engagement to ensure success of the partnership. Designate an Operations Manager who will assume responsibility for Operational performance Schedule and lead Monthly operational meetings Provide advisory services for evolution of IT environment and alignment to business requirements.
Managed Hosting	<ul style="list-style-type: none"> Communicate regulatory compliance obligations to PETRYNA ADVERTISING with reasonable notice Communicate services deliverables and service levels to end users Take appropriate measures to maintain security of desktop assets and physical access to office network. 	<ul style="list-style-type: none"> Provide adequate resources to maintain the service levels defined by the Service Level Agreement Maintain Security Compliance of Data Center and Hosting Services Provide a single point of contact for incident logging and process to initiate escalations Provide regular monthly reports based on service levels described in this SOW. Provide, in a manner billable to Client, any ad hoc reports as and when requested.
Systems Monitoring & Support	<ul style="list-style-type: none"> Communicate requirements to PETRYNA ADVERTISING 	<ul style="list-style-type: none"> PETRYNA ADVERTISING will use tools and alarms, with routine reviews to ensure proper operation of systems and equipment in accordance with ITIL best practices.
System Reporting	<ul style="list-style-type: none"> Communicate requirements to PETRYNA ADVERTISING 	<ul style="list-style-type: none"> PETRYNA ADVERTISING will provide incident, capacity and availability reports.

Server Management	<ul style="list-style-type: none"> Communicate requirements to PETRYNA ADVERTISING 	<ul style="list-style-type: none"> Maintain resource usage statistics Perform disk, CPU, network and memory threshold monitoring Review statistics and identify resource issues Prepare graphs as required for identified server resource usage issues Recommend upgrade solutions Minor performance tuning
System Backup & Recovery	<ul style="list-style-type: none"> Work with PETRYNA ADVERTISING to define and implement backup selection list, data types and restore requirements 	<ul style="list-style-type: none"> Define and implement backup and recovery strategy, including secure off-site storage of all hosted data Determine backup capacity requirements and schedules Restore virtual machines and/or other data in the event of business disruption.
Software Management	<ul style="list-style-type: none"> Purchase software and operating system licenses, support and upgrades Manage all applications 	<ul style="list-style-type: none"> Manage all licensing for PETRYNA ADVERTISING Hosting Infrastructure
Change Management	<ul style="list-style-type: none"> Participate in change management process Approve implementation plans and schedules Participate in the implementation where required Participate in testing where required 	<ul style="list-style-type: none"> Design implementation strategies Perform upgrade including OS and firmware upgrade/patches Prepare detailed implementation, testing and rollback plans for upgrades Provide estimates for all upgrades
Network Services	<ul style="list-style-type: none"> Communicate requirements to PETRYNA ADVERTISING 	<ul style="list-style-type: none"> Maintain resource usage statistics Review statistics and identify resource usage issues Prepare graphs as required for identified network resource usage issues Recommend solutions for identified issues

Capacity Planning	<ul style="list-style-type: none"> • Provide growth expectations and information required to project usage changes • Identify constraints and budgetary issues • Approval final capacity plans 	<p>Ensure adequate system resources to meet business requirements by:</p> <ul style="list-style-type: none"> • Implementing automated system resource usage measurement tools • Collect and report usage metrics on a monthly basis for input into capacity plans • Work with IT Stakeholders to obtain future business and application projections • Provide high level implementation schedules to meet identified business targets
Firewall Management	<ul style="list-style-type: none"> • Communicate requirements to PETRYNA ADVERTISING 	<ul style="list-style-type: none"> • Enable/maintain security features on firewall(s).

Service Level Reporting

PETRYNA ADVERTISING will provide monthly reports detailing Availability, Incidents and Capacity Trending.

Change Management Process

The Parties shall discuss and approve any Changes to the Services set forth in this agreement in accordance with the following change management process. All Changes that fall outside of the scope of this SOW shall be requested in accordance with Appendix A. All technical or environment changes will be evaluated, approved and implemented per the details that follow:

Step One: Initiation

Client's members of the CAB must bring to the CAB meeting details of any changes required to the Production system. Given the limited Changes planned for the current system, CAB meetings will be scheduled on a regular bi-weekly basis. If a Change is needed that impacts business and is required prior to the next CAB meeting, an emergency CAB meeting may be called.

Step Two: Planning

Client and PETRYNA ADVERTISING members of the CAB will discuss the change. The change will be logged as a request for Change ("RFC"), then classified (emergency, major, minor, standard). The impacts and risks will be identified and assessed and, upon gaining approval, the work will be planned, costs and effort estimated and documented in a Change Request Form, and scheduled for release. For emergency and major Changes, a project manager will be assigned to coordinate activities and keep stakeholders notified of progress.

Step Three: Delivery - Testing

The Change will be developed and tested following standard processes in development and test environments (if available).

Step Four: Delivery - Deployment

As soon as the Change has passed user acceptance testing (as documented in the Change Request Form), the release manager will coordinate the release of the Change to Production. Stakeholders will be notified of the details and delivery date of the Change.

Step Five: Operate

Post-release review and closure of the Change request.

Sign-Off Information

This Service Level Agreement (this “SLA”) is made under the Master Services Agreement #XXX (the “MSA”) dated _____ between PETRYNA ADVERTISING Limited (“PETRYNA ADVERTISING”) and

CLIENT NAME

PETRYNA ADVERTISING INC.

Signature:

Signature:

Printed Name:

Printed Name:

Title:

Title:

Date:

Date:

Client (“Client”).

I have the authority to bind the corporation.

I have the authority to bind the corporation.

Appendix A – Change Request Process

Other requirements and/or anything not identified in this agreement are considered out of scope. Following the Change Control Process, out of Scope items can be included in the project following the identification of any impact to cost or timeline. All scope and cost changes must be approved by PETRYNA ADVERTISING and Client. The following outlines the steps taken in managing a change request raised by the Client:

1. Change Request initiated in writing by the Client to PETRYNA ADVERTISING including high-level requirements.
2. Within 1 business day of receiving the written request from the Client, PETRYNA ADVERTISING will provide written response with detailed requirements, assumptions, estimated effort/cost, and impact to schedule and effective date of change request.
3. The Client has 1 business day to accept or reject PETRYNA ADVERTISING's written response.
4. If the Client accepts the response from PETRYNA ADVERTISING's, then PETRYNA ADVERTISING will commence development of the change according to the updated schedule. If the Client rejects the response from PETRYNA ADVERTISING, then PETRYNA ADVERTISING and the Client will meet to negotiate until both parties agree to:
 - a) Discard the change request, or
 - b) Revise the change request to mutually agreed upon terms