

# **APPENDIX Q**

## **SERVICE LEVEL AGREEMENTS (SLAs)**

## **1. Definitions**

The following definitions shall apply to the MVDLS Project Service Level Agreement (SLA):

“Service” – The service(s) provided by the Contractor to PennDOT under the MVDLS RFQ

“Credit” – A direct and agreed upon reduction in the monthly invoiced deliverables calculated as outlined in the following sections

“Operational Hours” – 365 days per year, 24 hours per day, 7 days per week for mission critical systems

“Downtime” – A period of time during which key components of the MVDLS are unavailable to PennDOT users or there is more than a five (5%) percent user error rate. User error rate is measured based on server side error rate.

“Regular Monthly Charge” – Routine Maintenance and Support deliverables as defined in Part IV-4, Task L (Maintenance, Support & Warranty) of the RFQ.

## **2. Overview**

### **Expectations**

PennDOT expects that the selected Contractor shall demonstrate a high level of service and quality control standards. All Contractors shall be required to describe their quality standards and guarantees of service, background check processes and other quality assurance processes, and their response to resources which are not performing to PennDOT’s quality expectations within its technical proposal submission as outlined in Part II of this RFQ.

Contractors shall propose quality management processes that indicate quality assurance and quality control procedures that would be utilized in the performance of work. PennDOT recognizes that maintenance processes evolve and change. Contractors shall indicate how they will train and develop their own skill sets during the course of work to continue to meet PennDOT’s MVDLS maintenance needs and to keep abreast of industry best practices.

Knowledge management and project knowledge continuity planning can be critical success factors for maintenance in terms of both improving service quality and mitigating the risks.

PennDOT expects high quality service and products—that is products which are professionally edited and responsive to both the intent and the specific requirements of the Purchase Order. It is expected that products shall be error free and that commitments made by the selected Contractor shall be met.

PennDOT has also developed a high-level process that must be utilized throughout the life of this Contract to ensure that the selected Contractor is providing the best possible service. Contractors shall be prepared to contribute regularly throughout this process in a variety of ways, and shall be prepared to receive reductions in business volume or pro-rated payment, as detailed below, to PennDOT for inadequate service levels.

### **Monthly Performance Meetings and Reports**

A monthly meeting will take place with the Contractor to review the quality of service provided to PennDOT. Monthly performance reports will be reviewed to enable PennDOT to evaluate the Contractor on a variety of performance criteria, including, but not limited to, the SLA established. If any service deficiencies are identified across the entire contract, the Contractor and PennDOT representatives will determine a corrective action plan to ensure that the level of service improves. Failure to correct service deficiencies may be considered an event of default under Paragraph 22,

Master Information Technology (IT) Services Invitation to Qualify (ITQ) Contract Terms and Conditions.

The Contractor shall provide all performance reports, delivered to the Project Manager, on or before the fifth (5<sup>th</sup>) calendar day of each month for the immediate preceding month to verify the fulfillment of the service level requirements. The Contractor shall furnish PennDOT with a monthly report on all service request activity in an electronic format agreed upon by PennDOT and shall provide access to all the data used to generate these reports.

**Credits:** If any performance report is not delivered to PennDOT’s Project Manager on or by the fifth (5<sup>th</sup>) calendar day of each month, the Contractor shall apply credit in the amount, as described below, to the full monthly invoice amount for Task L-4: Monthly Performance Reports. The credit shall be applied to the monthly service invoice of the affected month.

<b>Performance Reports</b>	<b>Credits (per report)</b>
All reports received on or by the fifth (5 <sup>th</sup> ) calendar day of the month	<b>No credits applied</b>
Any report received after the fifth (5 <sup>th</sup> ) calendar day of the month	<b>\$50 (per day)</b>

PennDOT has developed a set of minimum Service Level Agreements (SLA), shown in the representative tables in this appendix, which the selected Contractor must agree to meet, or exceed, in order to be in good standing on the contract. Contractors shall take the SLA’s into consideration for the technical proposal response to this RFQ. PennDOT expects that the selected Contractor shall propose a solution that provides services above the minimum requirements. In addition to the periodic meetings set forth in the paragraph above, the SLA’s will be continuously monitored by the PennDOT Program Lead to identify any issues requiring immediate attention. Failure to meet the Service Level Agreements may result in a delay of payment.

As a part of process improvement, throughout the life of the contract, improvement to existing SLA’s and/or additional SLA’s shall be presented at the monthly review meeting. PennDOT recommends that the Contractor utilize survey tools to periodically gather customer satisfaction feedback from a randomly selected group of PennDOT users who utilize the Contractor’s service desk.

Changes and/or additions to SLA’s resulting from the process improvement efforts will be agreed upon by the Contractor and PennDOT.

**Trouble Ticket Response**

The selected Contractor shall provide response to trouble/alarm tickets with the ticket acknowledgement and initial status in one (1) hour or less during operational hours.

Trouble/alarm tickets received shall be resolved according to the parameters established within this Section. The restoration time requirements include travel time where applicable.

The following table shows examples of Priority Levels of Trouble Tickets. PennDOT will determine the Priority Level assigned to tickets via use of PennDOT’s Remedy Ticket Tracking System and processes.

<b>Ticket Priority Matrix</b>			
PennDOT reserves the right to assign Priority Levels as deemed necessary. The following are examples of PennDOT standard Priority Levels:			
<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>

<ul style="list-style-type: none"> <li>Complete or substantial loss of service or severe degradation of the system that makes the service unusable.</li> <li>Inability to use a mission-critical application.</li> </ul>	<ul style="list-style-type: none"> <li>Multiple users are affected by a service degradation or out-of-service condition.</li> <li>Significant loss of service or high business impact.</li> <li>Any service that affects certain key officials (executive personnel).</li> <li>Failure of a redundant system component.</li> </ul>	<ul style="list-style-type: none"> <li>An individual component is out of service, or limited features for a small number of users one to ten (1-10) are not functioning.</li> <li>Minimal business impact, problem may be bypassed.</li> <li>Some loss of service or other specific functionality is lost.</li> <li>Non Service Affecting Alarms</li> </ul>	<ul style="list-style-type: none"> <li>An informational request or a fault that has no business impact.</li> </ul>
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Routine Maintenance				
Service Request Management – All Requests				
Activities	Measure	Performance		Credit
<b>a) <u>Respond to service request:</u></b> <ul style="list-style-type: none"> <li>Answer the call or call back to user,</li> <li>Establish Priority</li> </ul>	Response Time	Within fifteen (15) minutes from initial notification		<b>\$0</b>
		For every fifteen (15) minutes past initial notification		<b>\$50 (per 15 minute interval)</b>
All Requests				
Activities	Measure	Performance		Credit
<b>b) <u>Resolve service request:</u></b> <ul style="list-style-type: none"> <li>Restore application service in the event of a service failure.</li> <li>Resolve service requests with high business impact (such as urgent data fixes, special reports, etc.)</li> <li>Resolve service requests with minimal business impact (such as non-urgent data fixes, non-urgent special reports and data extracts, user and technical documentation updates, etc.)</li> </ul>	Time to Resolution	<b>Priority 1</b> = within two (2) consecutive hours from initial notification	Within two (2) hours of notification	<b>0%</b>
			Every thirty (30) minutes interval past two (2) hours	<b>.5%</b>
		<b>Priority 2</b> = within four (4) consecutive hours from initial notification	Within 4 hours of notification	<b>0%</b>
			Every thirty (30) minutes interval past four (4) hours	<b>.5%</b>
		<b>Priority 3</b> = within eight (8) consecutive <i>business</i> hours from initial notification	Within eight (8) business hours of notification	<b>0%</b>
			Every one (1) business hour past eight (8) business hours	<b>.5%</b>
		<b>Priority 4</b> = within twenty four (24) consecutive <i>business</i> hours from initial notification	Within twenty four (24) business hours of notification	<b>0%</b>
			Every eight (8) business hour past twenty four (24) business hours	<b>.5%</b>
All Requests				
Activities	Measure	Performance	Credit (Per Request)	
<b>c) <u>Communicate periodic status updates</u></b> <ul style="list-style-type: none"> <li>During service request response.</li> </ul>	Intervals through resolution	Hourly updates (For Priority 1 & 2)	Updates Provided Hourly	<b>\$0</b>
			For each hourly update missed	<b>\$50</b>

If an issue is resolved to the extent that its Priority Level drops to a lower Priority Level, the issue will be considered resolved within the time frame appropriate for the initial priority. If a lower priority issue remains, the clock will restart for resolving the remaining issue at the appropriate lower priority level. Conversely, if an issue resolution causes the priority level to escalate, a priority level may also be elevated as appropriate.

The table below outlines additional activities applicable only to **service requests related to service failures**:

Routine Maintenance Service Request Management – Service Failures				
Activities	Measure	Performance	Credit (Per Request)	
<b>d) <u>Complete/Document Root Cause Analysis (RCA)</u></b> • (For Priority Levels 1 and 2)	Time to Completion	Within two (2) business days of service failure	Within two (2) business days	<b>\$0</b>
			For each business day late	<b>\$50</b>
<b>e) <u>Document Additional Corrective Action</u></b> • Necessary to prevent future reoccurrence of the problem (For Priority Levels 1 and 2)	Time to Completion	Within five (5) business days of service failure	Within five (5) business days	<b>\$0</b>
			For each business day late	<b>\$50</b>
<b>f) <u>Submit After-Action Review report</u></b> • After completion of corrective action. (For Priority Levels 1 and 2)	Time to Completion	Within ten (10) business days after corrective action is complete	Within ten (10) business days	<b>\$0</b>
			For each business day late	<b>\$50</b>

PennDOT reserves the right to require the completion of c) through f) activities for Priority Levels 3 and 4 as needed, provided that PennDOT notifies the Contractor of such intent.

*Example Calculations for Response and Resolution Activities for a given month:*

- Day 3: Department contacts vendor for a Priority 1 incident. Vendor returns call in forty five (45) minutes and restores incident within two (2) hours forty five (45) minutes from Departments first call to the vendor.

**Calculation:**

- Call returned in forty five (45) minutes = one hundred and fifty (\$150) Credit
- Priority 1 incident restored in two (2) hours, forty five (45) minutes = one percent (1%) Credit

- Day 11: Department contacts vendor for a Priority 4 incident. Vendor answers call immediately. Vendor restores incident within thirty seven (37) operational hours from Department’s first call to the vendor.

**Calculation:**

- Call answered immediately = zero dollar (\$0) Credit
- Priority 4 incident restored in thirty seven (37) hours = six and one-half percent (6.5%) Credit

- Monthly Report: Department contacts vendor for twenty (20) service requests within one (1) month of which fifteen (15) are Priority 1 or 2. All calls were responded to within fifteen (15)

minutes. However, the vendor fails to communicate periodic status updates on two (2) of the Priority 2 incidents. Each incident of these took four (4) hours to resolve.

**Calculation:**

- Call answered within fifteen (15) minutes = zero dollar (\$0) Credit
- Priority 2 incidents restored within four (4) hours = zero dollar (0%) Credit
- Periodic status updates not done hourly
  - Two (2) incidents x three (3) hourly updates = six (6) hourly updates missed
  - Six (6) updates missed x fifty dollars (\$50) = three hundred dollar (\$300) Credit

**3. Miscellaneous**

In the event that the Credits exceed the regular monthly charge, at PennDOT's discretion, the difference in amounts will be deducted from the next monthly invoice or will be remitted directly to PennDOT after PennDOT's invoicing.

In the event there is no applicable regular monthly charge, the amount of the credit shall be remitted directly to PennDOT after PennDOT's invoicing.