



Service Level Agreement Workshop

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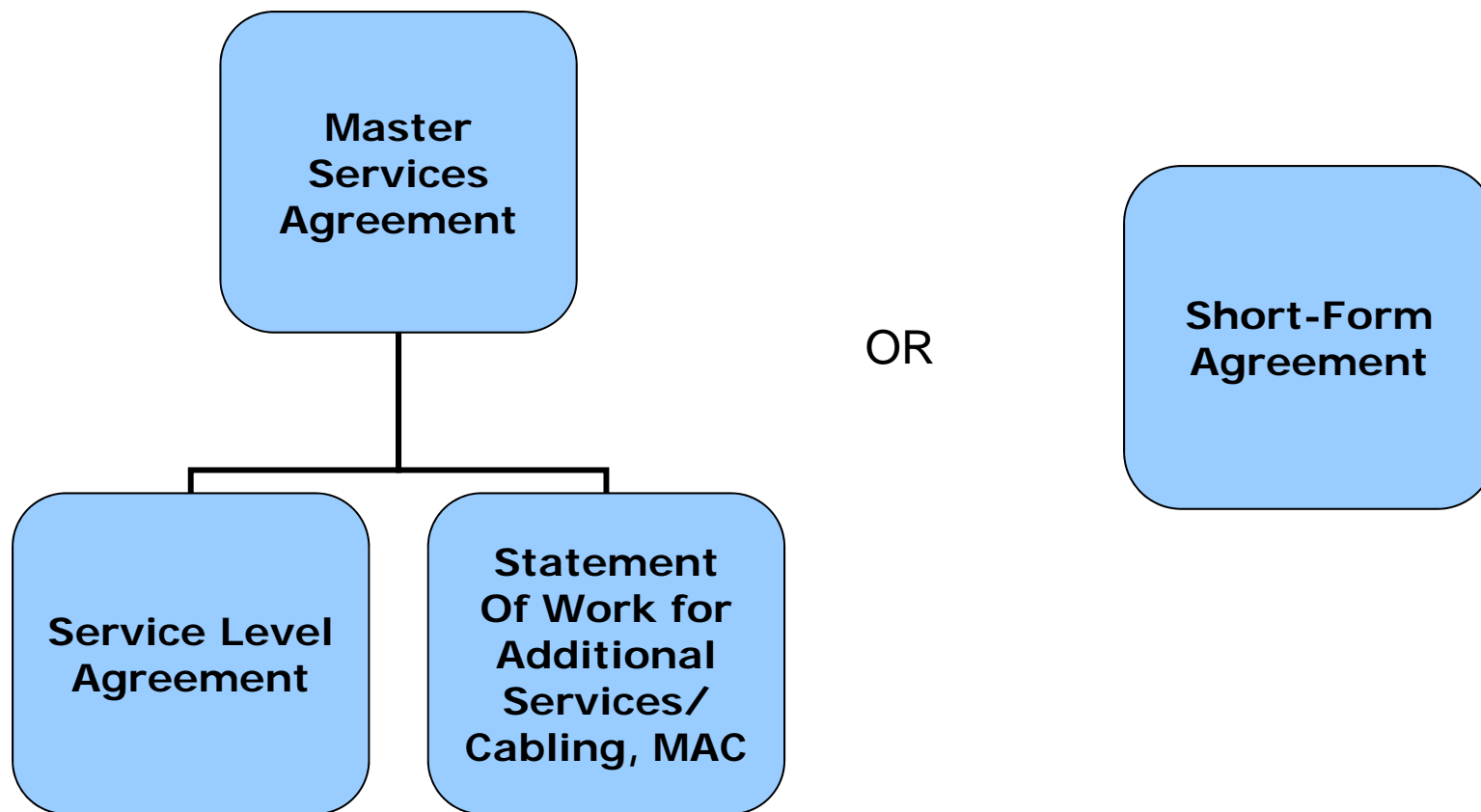
Overview

Importance of Legal Review
Document Format
Master Services Agreements
Service Attachments
Short-Form Agreements

Importance of Legal Review

- Always advisable to get input from an attorney
 - Familiarity with / ability to research applicable law
 - Check for consistency across client-facing and other documents
- This workshop not a substitute for advice from counsel

Document Formats



MSAs – Framework for the Relationship

- Main document that outlines the general obligations and expectations of the parties
- Typically contains:
 - Intellectual Property provisions
 - Invoicing & payment terms
 - Limitations of liability / indemnification
 - Warranties & waivers
 - Force majeure
 - General terms (e.g., independent contractor status, non-solicitation, governing law, choice of venue, alternative dispute resolution)

SLAs – Detail Specific Obligations

- Typically exists as an attachment to the MSA, with which it is integrated by reference
- Outlines service-specific expectations and obligations
- Typically contains:
 - Term & termination
 - Detailed description of included base services
 - Service hours & maintenance windows
 - Problem & change management
 - Client responsibilities
 - Calculation of fee for services
 - Service level guarantee and service exclusions

SLAs – Base Services Overview

- The “meat” of the SLA – detailed description of services to be provided in return for fee to MSP
- SLAs often used during the sales process, so it is important to strike a balance between detail (to protect the MSP) and brevity (to avoid overwhelming potential clients)
- Services description usually one of 3 types:
 - Checklist
 - Tiered
 - Custom

SLAs – Base Services Checklist

BASE SERVICES – IT MONITORING AND MANAGEMENT

Provider will perform for Client the IT Infrastructure Monitoring and Management Services indicated with a check – ✓ – in the left column. Provider will not perform for Client any Services indicated with a cross-through – ✕.

Server and Infrastructure Monitoring and Management

✓✕ Provider will provide the following remote server and infrastructure monitoring to Client:

Power supply of network equipment

✓✕ Provider will:

- ✓✕ • Monitor the quality and characteristics of the UPS products equipped with interface cards.
- ✓✕ • Manage power usage on the servers.
- ✓✕ • Provide remote administrative services due to equipment failures.
- ✓✕ • Facilitate the ordering of equipment.

Pros:

- Potential clients can see all services provided
- Facilitates customized services and customized pricing

Cons:

- Customization can make accounting and service management more challenging
- Longer SLA

SLAs – Tiered Services

BASE SERVICES – IT MONITORING AND MANAGEMENT

Tier I	Tier II	Tier III	Tier IV
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Provider will perform for Client the IT Infrastructure Monitoring and Management Services indicated with a check – ✓ – in the left column corresponding to the Service Plan selected by Client. Provider will not perform for Client any Services indicated with a cross-through ✖.

Server and Infrastructure Monitoring and Management

Provider will provide the following remote server and infrastructure monitoring to Client:

Tier I	Tier II	Tier III	Tier IV	
✖	✖	✓	✓	<u>Power supply of network equipment</u>
✖	✖	✓	✓	Provider will:
✖	✖	✓	✓	• Monitor the quality and characteristics of the UPS products equipped with interface cards.
✖	✖	✓	✓	• Manage power usage on the servers.
✖	✖	✓	✓	• Provide remote administrative services due to equipment failures.
✖	✖	✓	✓	• Facilitate the ordering of equipment.

Pros:

- Potential clients can see all services offered
- Easier accounting and service management

Cons:

- Limited flexibility
- Longer SLA

SLAs – Customized Service Lists

BASE SERVICES – IT MONITORING AND MANAGEMENT

Provider will perform for Client the IT Infrastructure Monitoring and Management Services listed below. Provider will not perform for Client any Services not listed below.

Server and Infrastructure Monitoring and Management

Provider will provide the following remote server and infrastructure monitoring to Client:

Power supply of network equipment

Provider will:

- Manage power usage on the servers.
- Provide remote administrative services due to equipment failures.

Pros:

- Most flexible
- Shorter SLA

Cons:

- Customization can make accounting and service management more challenging
- Clients cannot see all services offered

SLAs – Service Level Guarantees

- Typically offer credits against service fees where service availability does not meet a defined target or where response time goals are missed
- Common in the industry, and some clients may expect to see them

HOWEVER...

- Generally not recommended:
 - Require careful definitions and a detailed set of service exclusions
 - Accounting headache
 - Many MSPs are successful without them

SLAs – Additional Provisions

- Service fees and pricing terms often detailed in separate addendum(a) to the SLA (more flexibility)
- Additional addenda OR separate attachments to MSA are common for related services (e.g., data backup, telephony)
- Important to describe the duties that will remain the client's obligations (e.g., changing tapes, keeping ISPs happy)
- “Escape Hatch” – good to include terms that give the MSP a way to get out of the deal

Project Work and Short Form

- Project & development work commonly described in separate bid form, which, like SLA, exists as an attachment to the MSA
- For smaller clients (@ \$6,000.00 per year or less), the full MSA + SLA set may be overwhelming, so it may be a good idea to have a separate “short form” agreement that includes the most important parts of the longer agreements in a 3-5 page document

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