

[subject]

TERM AGREEMENT & SLAs

KASEYA Winning New Clients
Extension

[date]

Thursday 27 May 2010

4pm to 4.45pm

sainty
law

[SECTION HEADING]

TODAY'S PRESENTATION

1. About Katherine Sainty
2. Setting the scene - why use an agreement for IT managed services?
3. 5 things for Heavenly IT to consider when entering into an agreement
4. What type of agreement is best for your business and your clients
5. Structure of the IT Support Agreement – how to use and modify it
6. Key agreement terms to watch out for

[SECTION HEADING]

WHY USE AN AGREEMENT?

- Formalise client relationships and win a commitment for a fixed term
- Certainty between the parties on:
 - Payment
 - Services
 - Obligations
- Add value to your business:
 - Certain revenue stream
 - Each contract is a business asset
 - Increases business valuation
- Risk Management
- Best Practice

[SECTION HEADING]

5 FACTORS FOR HEAVENLY IT BEFORE SIGNING AN AGREEMENT



[SECTION HEADING]

5 FACTORS – cont.

1. **MANAGE RISKS**

- Identify and manage risks and risk treatments
- Risks are dynamic throughout the contract's life

2. **MANAGE RELATIONSHIPS**

- With client - professional and constructive
- Open communication, non adversarial, mutual understanding
- Prevents problems or allows early resolution

3. **ENSURE RESOURCES**

- Client senior management ownership and support
- Access to client experts and decision makers
- Heavenly IT staff with relevant skills

[SECTION HEADING]

5 FACTORS – cont.

4. SPECIFY RESPONSIBILITIES

- Clear lines of responsibility and accountability in client organisation and in Heavenly IT
- Establish authorisations, delegations, escalation protocols with client

5. KEEP RECORDS

- Systematic approach to paper/electronic records for client
- Evidence of business conducted, decisions made including change control
- Meet accountability obligations of client and manage legal/other risks

HEAVENLY IT CASE STUDY EXAMPLE

[SECTION HEADING]

WHAT TYPE OF AGREEMENT TO USE?

1. TERM AGREEMENTS

- Advantages
- Disadvantages
- When does Heavenly IT use a term agreement?

IT Support Agreement

ITEM 1	Date of Agreement	
ITEM 2	Customer Name	[xxx] (ABN xxxxxx) (<i>Customer</i>)
ITEM 3	Address	
ITEM 4	Supplier Name	[xxx] (ABN xxxxxx) (<i>Supplier</i>)
ITEM 5	Supplier Address	
ITEM 6	Commencement Date	
ITEM 7	Term	[x] year[s] from the Commencement Date.
ITEM 8	Services	Set out in greater detail in Schedule 1.
	Service Package	
	<input type="checkbox"/> Lite Service Package	<ul style="list-style-type: none"> ▪ Account management ▪ Service desk / phone ▪ Monitoring / alerts ▪ Proactive monitoring ▪ Reporting ▪ Audits ▪ Patch management ▪ AV ▪ BUDR ▪ Remote support ▪ Online support / ticketing ▪ Backup monitoring ▪ Backup management ▪ Offsite backup ▪ Server recovery ▪ Onsite support ▪ After hours support ▪ Guarantee SLA ▪ Asset Management
	<input type="checkbox"/> Performance Service Package	
	<input type="checkbox"/> Extreme Service Package	
	Service Levels	
	<input type="checkbox"/> Standard	
	<input type="checkbox"/> Express	
ITEM 10	Services Fees	[Insert full amount if known] set out in greater detail in Schedule 2 as amended by the Service Level Agreement, Schedule 3.
ITEM 11	General Conditions	Schedule 4

[SECTION HEADING]

WHAT TYPE OF AGREEMENT TO USE? Cont.

2. SERVICE LEVEL AGREEMENTS

- Advantages
- Disadvantages
- When does Heavenly IT use an SLA?

SCHEDULE 3

SERVICE LEVEL AGREEMENT

A. Service Levels (Schedule 1 clause 2)

- The Supplier shall ensure that the Services meet the following response and resolution times required when the Supplier is notified of a Defect in the Supported Technology (clauses 3.2 and 5):
- If the Supplier fails to meet the Service Level for a Defect, either in the response time or the resolution time, then the Defect shall be taken to be moved up to the next Service Level. For example if the Supplier has not responded to a Routine Defect subject to a Tier 3 Service Level within the required 8 hours, the Supplier must elevate the Defect to an Urgent Defect and apply a Tier 2 Service Level and must respond within an additional 4 hours.
- If the Supplier fails to meet the Critical Service Levels for a Defect, either in the response time or the resolution time, then the Supplier must give the Customer the rebates as service credits specified in item C below.

Nature of Defect/Fault	Description	Service Level (Standard or express service levels)	Response Times (Hours)	Resolution Times (Hours)
CRITICAL	Services restricted or unavailable to all users on network	Tier 1	< 2	< 8
CRITICAL	Services restricted or unavailable to all users on network	Tier 1 Express	< 1	< 4
URGENT	Outage or restriction affecting multiple users (>10%)	Tier 2	< 4	< 48
URGENT	Outage or restriction affecting multiple users (>10%)	Tier 2 Express	< 2	< 24
ROUTINE	Outage or restriction affecting few users (<10%)	Tier 3	< 8	< 120
ROUTINE	Outage or restriction affecting few users (<10%)	Tier 3 Express	< 4	< 60

B. Defect Logging (Schedule 1 clause 5)

The Supplier must maintain an accurate Defect Log for the period of the Software Support Services of all reported Defects.

Defect	Identification Number	Call tracking number for problem identification	Date Defect Notified	Date Defect Resolved

C. Performance Rebates (Schedule 3 item A)

The Customer is entitled to the following rebates on the Service Fees for failure to meet the Service Levels described in Item A.

Service Level Failure	Rebate/£
Critical – Tier 1	
Critical – Tier 1 Express	

[SECTION HEADING]

STRUCTURE OF THE SAINTY LAW IT SUPPORT AGREEMENT

1. Schedules and general terms
2. Completing schedules
3. Service level agreement – including or not
4. Key terms to watch out for
 - Services Schedule
 - Services Fees & Variations
 - Change Regime
 - Intellectual Property Rights
 - Warranties
 - Liability & Indemnity
5. Amending the general terms

IT Support Agreement

Agreements Details and Signing clauses

Schedule 1 – Services Schedule

1. Services
2. Standard of Software Services Schedule
3. Updates and New Releases
4. Exclusions

Schedule 2 – Service Fees

Schedule 3 – Service Level Agreement

- A. Service Levels
- B. Defect Logging
- C. Performance Rebates

Schedule 4 – General Conditions

1. Definitions and Interpretation
2. Appointment and Scope of Work
3. Changes to the Services Schedule
4. Supplier's Obligations
5. Customer Obligations
6. Reports and Project Meetings
7. Services Fees
8. Term
9. Intellectual Property Rights
10. Representation and Warranties
11. Liability and Indemnity
12. Termination
13. Consequences of Termination
14. Confidential Information
15. Dispute Resolution
16. Non-Solicitation and Non-Compete
17. General

[SECTION HEADING]

SOME HOUSEKEEPING

1. How you can use the Sainty Law IT Support Agreement

- You are licensed to use as part of the KAYSEA Winning New Clients Tool Kit in your current business
- You can modify the contract
- Third parties cannot use the contract (eg. Lawyers)

2. How to get more help

- Contact Sainty Law
- Australian wide service
- Initial free 20 minute consultation with Katherine Sainty to Webinar attendees.

QUESTIONS

[office]

suite 1.03, 55 miller street, pyrmont
sydney NSW 2009 AUSTRALIA

Tel +61(0) 2 9660 9630

Fax +61(0) 2 9660 6806

[email]

katherine.sainty@saintylaw.com.au

[web]

www.saintylaw.com.au