

SaaS Service Level Agreements

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What is SaaS?

“Software as a Service (SaaS) is a software distribution model in which a (third-party) provider hosts applications and makes them available to customers over the Internet.”

Definition of an SLA

A **Service Level Agreement (SLA)** is a contract between a service provider and the customer that defines the level of service expected from the service provider.

Type of SLAs

- **Service Based** – same agreement for all customers using the service
- **Customer Based** – modified agreement for individual customer
- **Multi-Level** – a hybrid model

SLAs should guarantee (at a minimum)

- Term and termination of the agreement
- Describe “what” is being provided
- Party roles and responsibilities
- Quality (level of service)
- Reliability, Availability (Up time, Down time)
- Service credits

SLAs should guarantee (at a minimum)

- Method of requesting service
- Help desk
- Issue severity levels and response times
- Monitoring and reporting
- Backup and Recovery Plan
- Disaster Recovery Plan
- Recovery Time
- Maintenance and Upgrades

SLAs should guarantee (at a minimum)

- Warranties and Remedies
- Liability limitations
- General Indemnity
- Assignment of Rights
- “Who” owns the data?
- If purchased through reseller, “Who” owns the warranty
- Point to an Info Security Policy

Information Security Policy (ISP)

NIST - "Aggregate of directives, regulations, rules, and practices that prescribes how an organization manages, protects, and distributes information", and according to the purpose of security policy is to protect people and information, set rules for expected behavior by users, define and authorize the consequences of violation, minimize risks and help to track compliances with current regulations."

ISPs contain descriptions of:

- Cloud security controls
- Data security
- Facility and security
- Physical controls
- Compliance (HIPAA, ISO/IEC)
- Reporting (SAS 70, SSAE 16)

SLA and ISP examples

- CA (DGS) Cloud Computing Services Special Provisions
- Microsoft Dynamics SLA
- Neogov ISP
- SLA example

SLA as a Requirement

SLAs should be discussed early in the procurement phase.

- Establish minimum SLA terms you need
- Vendor SLAs must be submitted as part of the RFP process and scored
- Establish if Vendor will create a “Customer Based” SLA

SLA ≠ SOW

The **Statement of Work** spells out specific “services” and “deliverables” that will be included during the project.

- Staffing – Roles and Responsibilities
- Project Management
- Business Analysis
- System Development
- Testing
- Deployment
- Training
- Deliverables

Create an SLA

- Start with a template
- Assess your business risk and needs
- Address requirements and prioritize, including service levels and response
- Add / Remove sections
- Include metrics and performance levels
- Legal review

Procurements must include:

- Contract, including signature from Service Provider (and reseller if applicable)
- SLA Requirements
- ISP Requirements
- Statement of Work
- Legal department approval for all



Questions?



Thank you!

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