

SERVICE LEVELS

*****Note for Bidders: Critical Service Levels are identified in <Section x.x> in this document below. Bidders should carefully review this material as this will form part of the Contract.***

1.1 INTRODUCTION

This document describes the methodologies associated with measurement of and reporting on the results achieved in respect of the Service Levels contemplated for this RFP. It sets out certain remedies for Service Level Failures and describes the manner in which particulars relating to AMS Services and Service Levels may be changed or established.

1.2 DEFINITIONS

1.2.1 Service Level

Each Service Level set forth in this document identifies key performance measures that will be used to evaluate the Contractor's delivery of the requested AMS Services. The overriding goal in developing Service Levels is to support SSC's desire to manage the Contractor by monitoring and measuring performance on SSC's most-important business requirements. In no event, unless mutually agreed, will the Service Levels or the Fee Reductions set forth herein be reduced below the levels at which they are set on the Effective Date.

1.2.2 Critical Service Levels

Critical Service Levels are deemed to carry a credit for failure to achieve the Critical Service Level. The Critical Service Levels are identified in <Section x.x>.

1.2.3 Measurement Interval

For the purpose of this Agreement, "**Measurement Interval**" means with respect to a Service Level, the period of time identified as the "Measurement Interval" for such Service that is set out in the Contract.

1.2.4 Adjusted Monthly Invoice

For the purpose of this Agreement, "**Adjusted Monthly Invoice**" means the charges for AMS Services, excluding pass thru charges, taxes, projects and time and materials (T&M) expenses.

1.2.5 Measured Services

The Contractor will measure all data reasonably required by SSC to determine the Contractor's performance of the Service Levels against the applicable Service Levels set out in the Contract (the "**Measured Services**"). Without limiting the foregoing, Contractor will keep complete and accurate logs of all such data for no less than 18 months after the year in which they were collected, and will provide SSC with access to such logs forthwith upon SSC's request.

1.2.6 Service Level Exceptions

In addition to the Force Majeure Event and other provisions which excuse or mitigate the Contractor's obligations under the Contract, the Contractor shall not be responsible for a failure to meet any Service Level to the extent that such failure is directly caused by any of the following:

- Fee Reductions will not be in effect for service outages and missed Service Levels due to system components owned or controlled by SSC. SSC and the Contractor will conduct a root cause analysis to determine reasons for outages.
- Service or resource reductions requested or approved by SSC and agreed to by the parties as part of the Change Control Procedures; provided that the Contractor has previously notified SSC in writing, as part of such process, that the implementation of such request would result in such failure to meet the applicable Service Level.

1.2.7 Changes to Service Levels

Subject to the provisions of <Section X.X> of the Contract relating to changes to the designation of any Service Level to a Critical Service Level (or to change the designation of any Critical Service Level to a non-Critical Service Level), the parties may agree to modify, add, delete or otherwise make Changes to the Service Levels in accordance with the change control procedures. In respect of a service to be added or changed to the Services pursuant to the change control procedures, the parties will discuss and agree upon the status of the added or changed service as a Service Level, the measurement tools and the methods of calculation to be used for monitoring and reporting on such service and the Service Levels applicable to such service. The parties will meet to discuss Service Level management (add, change or deletion) for Service Levels on at least a semi-annual basis. At SSC's request, the Contractor will provide to SSC performance data recorded by the Contractor in connection with the Services for the purpose of assisting SSC with the implementation of any such Changes.

1.3 SERVICE LEVEL MONITORING AND MEASUREMENT

The Contractor will continuously monitor the AMS Services in order to identify, report and correct Service Level Failures and to ensure that Contractor is meeting or exceeding the Service Levels as required hereunder. The Contractor will give notice to SSC immediately if the Contractor knows or ought to know that Contractor has failed or will fail to achieve a Service Level.

1.3.1 Measurement and Reporting of Measured Services

On or before the tenth calendar day of each calendar month or as otherwise requested by SSC, the Contractor will deliver to SSC a report (a "**Monthly Performance Report**"), in a form and format approved by SSC, containing:

- (a) for each Measured Service and with respect to the immediately preceding calendar month, all data relating to the provision of the Service during the applicable month;
- (b) for each Measured Service during the immediately preceding calendar month, details of Contractor's performance as measured against the Service Levels for such Service during the applicable month;
- (c) details of any Excusable Event that Contractor believes has impacted the Measured Services during the applicable month; and
- (d) any other information reasonably requested by SSC from time to time.

For any Service Levels with a Measurement Period of longer than a month, the provisions above shall apply for the calendar month on which the final date of the Measurement Period for such Service falls.

Upon SSC's request for data and details for a Measured Service in respect of a particular day, the Contractor will provide to SSC a report, in a form and format approved by SSC, containing, for each Measured Service:

- (a) all data relating to the provision of the Measured Service during the applicable day;
- (b) details of Contractor's performance as measured against the Service Levels during the applicable day;
- (c) details of any Measured Services that were supposed to be performed during the applicable day that were not fully performed as required; and

- (d) details of any Measured Services that were supposed to have been performed during a previous day but that were not fully performed as required on that day, and the status of such Measured Services. all data relating to the provision of the Measured Service during the applicable day;
- (e) details of Contractor's performance as measured against the Service Levels during the applicable day;
- (f) details of any Measured Services that were supposed to be performed during the applicable day that were not fully performed as required; and
- (g) details of any Measured Services that were supposed to have been performed during a previous day but that were not fully performed as required on that day, and the status of such Measured Services.

Contractor will provide SSC with an electronic feed of all data, immediately upon collecting the data, in a form and format that will enable SSC to use, copy, sort, manipulate, modify, analyze, extract, translate, and load the data without a requirement that SSC undertake modifications to the data or the form or format in which it was delivered in order to do so, or in any other form and format mutually agreed to by the parties.

In generating data for reports provided by Contractor, the Contractor will use, for each Service Level, the measurement tools and methodologies needed to adequately measure each Service Level in or such other means as reasonably required by SSC to confirm Contractor's compliance with the Service Levels.

The Monthly Performance Reports, daily reports, raw data, detailed supporting information and any other data or information provided will constitute Confidential Information of SSC.

1.4 FEE REDUCTION AND EARN BACK

This section identifies the penalties and earn back for non-performance and over performance as appropriate.

1.4.1 Fee Reduction

The Fee Reductions relate directly to the Critical Service Levels. The Fee Reductions have been designed to encourage the consistent and timely delivery of service and value to SSC. The Fee Reductions are not intended to compensate SSC for damages, but rather to reimburse SSC the value of the diminished services actually delivered, and to provide incentive to the selected Contractor to achieve the agreement's stated objectives and focus on SSC's critical needs.

The Contractor acknowledges that all Service Levels have been set to meet SSC's minimum business requirements and therefore when one Service Level is missed the following Fee Reductions will apply.

The Fee Reductions apply as follows:

- **First occurrence** – The first time a Service Level calculation results in a Fee Reduction situation the Contractor's fee for that period of measure will be reduced by **10%** of the Total Monthly Charge for the effected AMS Service by reducing the next scheduled payment by the 10%.
- **Second occurrence** – The second time a Service Level calculation results in a fee reduction situation the Contractor's fee for that Measurement Period, month, will be reduced by **15%** of the Total Monthly Charge for the effected AMS Service.
- **Third occurrence** – The third time a Service Level calculation results in a fee reduction situation the Contractor's fee for that Measurement Period, month, will be reduced by **20%** of the Total Monthly Charge for the effected Service Tower.
- **Additional/Frequency occurrence** – Should the Contractor miss Service Levels so that they are subject to a Fee Reduction more than three consecutive times in any twelve month rolling period then the Contractor will be considered to be in material breach of the Contract and SSC may choose to terminate the Contract for cause. In the case where the Contractor is subject to a Fee Reduction more than three consecutive times in any twelve month period, the issue must be escalated to the

Contractor's Executive and a meeting scheduled with SSC to present documented Root Cause Analysis combined with actions taken to prevent further SLR misses.

1.4.2 Earn Back

Both parties agree that the sole goal of any Fee Reduction incurred is to drive Contractor behavior. Therefore should the Contractor incur a Fee Reduction, SSC will allow for an opportunity for the Contractor to earn back that Fee Reduction as follows:

- For the three consecutive months after the month in which the Fee Reduction was incurred, the Contractor meets or exceeds all Critical Service Levels in place during the Measurement Period, an earn back, in the form of a one-time only fee increase that is equal to 50% of the assessed fee reduction, will be paid in the next scheduled payment.
- For three additional consecutive months, resulting in six consecutive months of the Critical Service Levels being met or exceeded, an earn back equal, in the form of a one-time only fee increase that is equal to 50% of the assessed Fee Reduction, will be paid in the next scheduled payment.
- During the first three months of the six-month earn back period, should the Contractor miss any Critical Service Level so that another Fee Reduction is incurred, then the earn back of the previous Fee Reduction is negated, and the Fee Reduction time-frame is reset.
- If during the first three months of the earn back period the Critical Service Levels were met and the fee increase was paid and then during the second three month period of six-month earn back period, should the Contractor miss any Critical Service Level so that another Fee Reduction is incurred, then the remaining earn back of the fee reduction is negated, and the Fee Reduction time-frame is reset.

SLR Problem Analysis and Resolution

If the Contractor fails to provide services in accordance with the SLRs and/or the terms of this Contract, the Contractor will:

- Immediately investigate and report on the causes of such problem;
- provide a root cause analysis of such failure as soon as possible after such failure or at Canada's request;
- Correct such problem as soon as possible (regardless of cause or fault) or coordinate the correction of such problem if Contractor does not have responsibility for the cause of such problem;
- Advise Canada of the status of remedial efforts being undertaken with respect to such problem;
- Demonstrate to Canada's reasonable satisfaction that the causes of such problem have been or will be corrected on a permanent basis; and
- Take corrective actions to prevent any recurrence of such problem. Contractor will complete the root cause analysis within fifteen (15) days after the occurrence of the failure, and will notify Canada prior to the end of the fifteen (15) day period as to the status of the root cause analysis and the estimated completion date.

SERVICE LEVEL REQUIREMENTS

The Contractor must comply with all Service Level Requirements (SLRs) detailed in the following sections. The Contractor must provide monthly written reports to Canada regarding their compliance with the SLRs specified in this document. The Contractor must consistently meet or exceed SLRs specified in this document.

Critical Services Levels

The following Service Level Requirements related to the AMS Services of the ITSM Solution as defined in **<Section x.x>** are designated Critical Service Levels and are subject to potential fee reductions for non-performance as described above.

SLR 1.1 – Application Performance Response Time

SLR 1.2 – Application Availability

SLR 1.3 – Incident Resolution Time (service fee reductions only apply to Severity 1 and 2 outages)

Non-Critical Service Levels

SLR 1.4 - Notify of service/ security patches necessary to fix/repair application vulnerabilities.

SLR 1.5 - Deploy all unscheduled / urgent / security patches / antivirus updates necessary to fix / repair application vulnerabilities.

SLR 1.6 - Capacity /Performance Trend Analysis and Reporting across all platforms.

SLR 1.7 - Notification of Incident Severity 1 Service outage to Service Desk.

Service Level Requirements

| Service Level | Description | Target Performance | Measurement Interval |
|---|--|---|---|
| SLR 1.1: Application Performance Response Time | Application performance from receipt of a transaction (excluding batch and report generation) request at the gateway or application server tier until the gateway or application server tier sends the result back to the source that originated the request (which can be a client tier or another application or interface). | 90% of transactions complete within 2 seconds 98% of transactions complete within 5 seconds. | Measure daily at 15 minute intervals, report monthly. |
| SLR 1.2: Application Availability | The availability of the solution and interfaces for use by the authorized Users during the hours as identified in this document. | 99.9% (43.8 minutes unplanned downtime per month) and < 30 minutes for any single event per month unplanned downtime per month. Unplanned Downtime means the time in any month an application or interface was not available for use by authorized Users. | Measure Weekly, Report Monthly. |

| Incident Resolution | | | |
|--|---|---|---|
| Incident Resolution | Service Measure | Performance Target | Performance % |
| SLR 1.3: Incident Resolution Time (applies to application and software incidents only) | Elapsed time from the time the incident is escalated from the SSC Enterprise Service Desk or identified by the Contractor to the time the incident is resolved. | Severity 1 outage: 2 hours. Severity 2 outage: 4 hours. Severity 3 outage: 3 business days Severity 4 outage: 10 business days. | Severity 1: 95% within 2 hours Severity 2: 95% within 4 hours Severity 3: 95% within 3 business days Severity 4: 95% within 10 business days |
| | Formula | Number of instances within Performance Target ÷ Total number of instances during Measurement Interval Multiplied by 100 = Percent (%) Attained. | |
| | Measurement Interval | Monthly | |
| | Reporting Period | Monthly | |
| | Measurement Tool/Source Data | TBD | |

| | | | |
|--|---|--|-------------------|
| Definition | Actions by the Contractor for proactive monitoring and intervention to minimize capacity bottlenecks and apply patches | | |
| System Administration Service-Level Requirements | | | |
| System Administration Task | Service Measure | Performance Target | SLR Performance % |
| SLR 1.4: Notify of service/ security patches necessary to fix/repair application vulnerabilities. | Elapsed Time | Within 2 hours of discovery of vulnerability. | 99.0% |
| SLR 1.5: Deploy all unscheduled / urgent / security patches necessary to fix / repair application vulnerabilities. | Response Time | Within 24 hours of sign off, subject to agreed-upon Change Management procedures. | 99.0% |
| SLR 1.6: Capacity /Performance Trend Analysis and Reporting across all platforms. | Monthly measurement/ analysis and periodic notification on resource utilization and trends for critical system resources. | Monthly analysis reports detailing 15 minute increments across the entire measurement period. Interim reports on rapidly developing events and trends identification, within 1 business day of ±10% deviation in capacity or performance. | 100% |
| | Formula | Number of occurrences completed within Performance Target ÷ Total of all requests occurring during Measurement Interval multiplied by 100 = Percent (%) attained. | |
| | Measurement Interval | Measure Daily | |
| | Reporting Period | Report Monthly | |
| | Measurement Tool | TBD | |

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|--|--|---|-------------------|
| Definition | Routine functions that are required to meet Canada’s requirements. | | |
| General Administrative Functions Service-Level Requirements | | | |
| General Administration Task | Service Measure | Performance Target | SLR Performance % |
| SLR 1.7: Notification of Incident Severity 1 Service outage to SSC Enterprise Service Desk | Response Time | 5 minutes of discovery | 100% |
| | Formula | Notification of incident to SSC Enterprise Service Desk: [Number of tasks completed within Target Performance during the Measurement Interval] divided by [Total of all tasks required to be performed by Contractor during the Measurement Interval] multiplied by 100 = Percent (%) Attained | |
| | Measurement Interval | Measure Weekly | |
| | Reporting Period | Report Monthly | |
| | Measurement Tool | TBD | |