



ANNEXURE D

**PROVISIONING OF FIXED TELEPHONY COMMUNICATION ENTERPRISE (FTC)
SOLUTION SERVICES
SERVICE LEVEL AGREEMENT (SLA)**

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INTRODUCTION AND SCOPE

- 1.1. This Annexure D (Service Level Agreement) sets out, amongst other related matters:
- The Service Levels applicable to the Services that the Service Provider agrees to provide to Transnet under the Master Service Agreement (MSA).
 - The calculation of Service Credits in the event of a Service Level Failure.
 - Service Level Management practice for the measurement, management, reporting and review of Service Levels.
- 1.2. It is important to note that Service Levels at Transnet-wide level. This is explained in detail under Table 5 (Service Levels).

DEFINITIONS

- 1.3. Definitions and terms pertinent to this annexure are reflected in the table below (Table 1: Definitions).

Table 1: Definitions

Term	Description
At-Risk Amount	The maximum monetary value that Transnet may receive in Service Level Credits in any one month. The maximum At-Risk Amount will only be credited if all Service Levels are failed in a period of one month. In any one Month, the At-Risk Amount is calculated by applying the At Risk- Percentage to the overall Bill for that Month. From the Service Provider's perspective, the At-Risk amount is the cap on Service Credits for that month.
At Risk Percentage	The percentage that is applied to the Monthly Bill to determine the At-Risk Amount. The percentage is specified in the Service Credits section.
Business Day	Defined in the Master Services Agreement.
Close of Business	The end of a Business Day.
Closed	With reference to a ticket in the ticket logging tool, the ticket status which means that the ticket has been Resolved and finally Closed. The ticket cannot be reopened.
End User	A Transnet user who consumes the agreed to services as per scope of the Agreement.

Term	Description
Incident	An unplanned interruption or a reduction in quality of service being provided.
Measurement Interval	The period over which the Service Provider's performance of a Service Level will be measured in order to calculate the Service Level Achievement. Normally monthly.
Monthly Bill	For any Month, the total amount that an Transnet is invoiced for services provided under the Master Services Agreement.
Request / Service Request	A formal request for something new (an addition) to the portfolio of services or a change in the current services being provided.
Resolved	A ticket status in the ticket logging tool. 1. In the case of an Incident, it means that service has been restored or a work-around which is acceptable to Transnet is available. 2. In the case of a Request, it means that the request has been fulfilled. Service Level definitions may further expand on what 'Resolved' implies with reference to that specific Service Level.
Root Cause Analysis (RCA)	An investigation into the underlying cause of a Service Level Failure. Transnet may also request RCAs for any service delivery issue of concern to them.
Service	Defined in the Master Services Agreement.
Service Coverage Window (SCW)	Defined window of time during which the Service Provider will deliver a specified service according to a Service Level. See Table 4.
Service Improvement Plan	A Service Improvement Plan is a plan and road map, with milestones and dates, for improving service levels and/or service delivery.
Service Level	A service delivery performance area, with a Service Level Performance Target.
Service Level Achievement	The actual Service Level performance results for a Measurement Interval.
Service Level Credit / Service Credit	An amount in South African Rands which shall be credited by the Service Provider to Transnet in the event of a Service Level Failure.
Service Level Failure	Failure to meet or exceed the defined Service Level Performance Target.

Term	Description
Service Level Measurement Period	The period for which the Performance Specification for a Service Level is measured. This period is a calendar month unless otherwise specified.
Service Level Performance Target	The minimum percentage, or other metric, that the Service Provider must achieve for a Service Level in a Measurement Interval for the Service Level to be achieved.
Service Level Report	A monthly report providing the Service Level Achievements per Service Level for the last Measurement Interval. It may include historic performance as well.
Standard Operational Report	Report agreed by Parties to be delivered to Transnet on a scheduled basis.
Service Review Pack	A set of reports and presentations reviewed and presented at the Service Review meetings.
Weighting Factor / Service Level Weighting Factor	Each Service Level has a Weighting Factor expressed as a percentage. In the event of a Service Level Failure, the associated Weighting Factor is used in a formula to calculate the Service Level Credit due to Transnet in respect of that failure. The sum of all Weighting Factors shall equal 100%.
FTC	Fixed Telephony Communication services
IMACD	Installations, Moves, Additions, Decommission/Dismantle

SERVICE LEVELS

- 1.4. The Service Levels are set out in detail in Table 5 (Service Levels – Specification and Targets).
- 1.5. The Service Provider agrees to deliver the Services at a sufficiently high quality to consistently meet or exceed the Service Level Performance Targets for each Service Level.
- 1.6. Not all aspects of the Services are covered by a Service Level. This in no way implies that those aspects are unimportant, and the Service Provider agrees to deliver all aspects of the Service with due care.
- 1.7. Each Service Level has a Measurement Period of a calendar month, unless otherwise specified in this document.

SERVICE LEVEL MANAGEMENT

- 1.8. The Service Provider will implement Service Level Management practices in a manner such that the delivery of Services to Transnet is rigorously managed against the agreed to Service Levels. This includes tracking, monitoring, and managing performance so that:
 - 1.8.1. Developing issues which could lead to Service Level Failures can be proactively identified and appropriate corrective action(s) taken which are aimed at preventing a failure or reducing the impact should a failure occur.
 - 1.8.2. Service Level Failures go through a formal process of Root Cause Analysis and preventative actions are subsequently implemented.
 - 1.8.3. Service Level reporting is accurate and auditable.
- 1.9. The Service Provider will produce and maintain standard operating procedures detailing the tools, procedures, calculations, and raw data sources used to measure and calculate Service Level Achievements. The Service Provider will deliver this document to Transnet by the agreed date, but no later than two months following commencement of services.
- 1.10. The Service Provider will give Transnet access to any raw data, and transformed data, used in the Service Level reporting.

PERFORMANCE AND SERVICE DELIVERY REPORT PACK

- 1.11. The Service Provider will provide a monthly performance and service delivery report pack to Transnet's designated representative(s) within 5 Business Days of the end of the month being reported on. The Service Provider may make a written request for an extension, but such extension will be granted at Transnet's sole discretion.
- 1.12. The content and layout of the report pack will be developed by the Service Provider and approved by Transnet. The Service Provider will accommodate all changes to the pack that Transnet may reasonably require from time to time.
- 1.13. At a minimum the pack will include:
 - 1.13.1. The Service Level Achievements for the period, with comparative data from past periods.
 - 1.13.2. The Rand value of any Service Credits due because of Service Level Failures.

- 1.13.3. Where excused performance has been granted and applied to the Service Level Achievement, the Service Provider will report on both the before and after excused performance figures.
- 1.13.4. Other management information such as, but not limited to, trends on tickets logged and resolved, summary of reasons for requests for excused performance (if applicable) including a view on Service Improvement Plans, details of ticket quality checks done, and progress with preventative actions identified through Root Cause Analysis.

EXCUSED PERFORMANCE

- 1.14. Transnet recognises that the Service Provider may be prevented from meeting a Service Level (or the target on an individual ticket), due to material actions, or lack of actions, by Transnet and/or Transnet's 3rd Parties or challenges within the service provider processes.
- 1.15. The Service Provider will track and manage such occurrences during the month and report on them in writing, with the full circumstances, to Transnet's designated representative.
- 1.16. The Service Provider may request Transnet's designated representative for excused performance on these tickets and/or affected Service Level as per approved process (use formal template and follow the process in place).
- 1.17. Transnet will consider the merits of the request for excused performance and grant or deny the request. This must be fully documented and signed by both parties.
- 1.18. Any disputes for excused performance will be taken through the agreed escalation path for arbitration.
- 1.19. The excused performance process will be discussed in detail with an awarded service provider and amendments to be effected where needed.

SERVICE REVIEW MEETINGS (MONTHLY/ WEEKLY)

- 1.20. The Service Provider will meet with the OD representative(s) on a regular basis as required by the OD (weekly at a minimum) to discuss service delivery at OD-level (where applicable)
- 1.21. A monthly Transnet-wide Service Review Meeting will be held between the parties, according to the provisions in the MSA and Scope of Work, and failing that, by mutual agreement.

ROOT CAUSE ANALYSIS REPORTING

- 1.22. In the event of a Service Level Failure, the Service Provider shall provide a Root Cause Analysis (RCA) report using a Transnet approved format. The RCA report shall detail the underlying root cause of the Service Level Failure as well as any contributing factors, and set out remedial actions, with planned completion dates, that the Service Provider shall take to prevent further such failures.
- 1.23. Progress with remedial actions will be tracked to completion in subsequent meetings. Transnet may request more frequent progress updates.
- 1.24. Transnet shall have the right to ask the Service Provider to make quality improvements to the RCA report and Transnet will approve the report only once it is satisfied with its quality.
- 1.25. All RCA reports shall be signed off by Transnet and Service Provider representatives.
- 1.26. Notwithstanding clause 8.1, Transnet may at its discretion request an RCA report on any matter of concern it has regarding the delivery of services provided under the Master Services Agreement. Such report shall be provided by Close of Business on **the fifth Business Day** following the request, or later as proposed by the Service Provider and agreed to by Transnet.

SERVICE LEVEL CREDITS

- 1.27. As Service Levels are measured transversally, Service Level Credits also apply to Transnet as a whole.
- 1.28. In any one month, the total Service Level Credits are capped at the rand value of the At-Risk Amount for that Month.
- 1.29. If the Service Provider does not report on the Service Level Achievement for any Service Level within 1 (one) month after the end of a Reporting Interval, the Service Level shall be deemed to have been failed, and the Service Level Credit in respect of that Service Level shall become due. Under exceptional circumstances the Service Provider may request Transnet to extend the one-month period. Transnet will consider the merits of the request and decide whether to grant the extension.
- 1.30. The Service Level Credit amount for a Service Level Failure is calculated according to the formula in Table 2: Service Level Credit calculation. The formula has these components:
 - A. the Monthly Bill.
 - B. the At-Risk Percentage, which is ten percent (10%) of the Monthly Bill in which the failure occurred.

- C. the applicable Service Level Weighting Factor from Table 3: Service Level Weighting Factors.
- D. a multiplier which has a default value of 100%.

Table 2: Service Level Credit calculation
Formula:
Service Level Credit = A × B × C Where: A = OD Monthly Bill B = At-Risk Percentage C = Service Level Weighting Factor
Example:
(All examples are for illustration <i>only</i> , and actual Weighting Factors are in Table 3.
In January 20xx, we have a single failed Service Level. This Service Level has a Weighting Factor of 10%, and a Monthly Bill for January 20xx was R1 000 000. No other Service Levels were failed for the month. The Service Level Credit due to Transnet for January 20xx is R 15 000, calculated as follows: R1 000 000 (Monthly Bill) × 10% (At-Risk Percentage) × 15% (Service Level Weighting Factor for failed Service Level) × 100% (multiplier).

Table 3: Service Level Weighting Factors

No.	Weighting Factor	
1	FTC Network Availability – Hosted Collaboration Services and network interconnections	70%
2	Maintenance and Repair – Time To Repair (weighting applies to 3a, 3b and 3c)	15%
3	2a IMACD Quotation Period (if required)	2.5%
4	2b IMACD Install, Move, Dismantle Transnet Standard Customer Premise Peripherals Equipment	2.5%
5	2c IMACD Adds and Changes Configuration changes to existing services requiring a site visit	2.5%
6	2d IMACD Adds and Changes Remote configuration changes (soft IMAC)	2.5%
7	Monthly Service Review Pack	5%
		100%

SERVICE DESK

- 1.31. Users will report Requests and Incidents including Change Management Requests to the Service Desk designated by Transnet (with possible integration to the Service Providers tool.).
- 1.32. All Requests (including queries) and Incidents related to Service Provider services will be recorded within a ticket in the Service Desk ticketing tool designated by Transnet, regardless of which party or entity reports the ticket. This includes tickets reported by Transnet and its 3rd parties, the Service Provider and its 3rd parties, and system generated tickets (where applicable).
- 1.33. The Service Provider will implement an automated solution (at their own cost) for bi-directional bridging between the Transnet designated Service Desk, and the Service Provider' Service Desk (system integration into Transnet ITSM tool).
- 1.34. The Service Provider's Service Desk will be available during the agreed to operational hours as defined in **Table 4 Service Coverage Window**.

SERVICE COVERAGE WINDOW

- 1.35. In general, Service Levels are measured according to the Standard Service Class defined in Table 4 *Service Coverage Window*. However, there are Service Levels where the Extended or Premium Service Class may apply. This is indicated in the *Measurement Notes* in Table 6 *Service Levels*
- 1.36. The SLA Clock will be paused during periods outside the designated Service Coverage Window.
- 1.37. The SLA Clock shall start once the ticket has been assigned to the Service Provider in Transnet's designated Service Desk.
- 1.38. From time-to time, Transnet may need Ad Hoc support outside of a Service Coverage Window. This would be mainly when an Incident occurs 'afterhours' and must be attended to urgently. Very occasionally, Ad Hoc support may be needed under other circumstances. E.g., an on-site presence may be required. Service Levels to these Ad Hoc 'callouts' will be treated as incidents.

Table 4: Service Coverage Window (SCW)	
Service Class	Service Coverage Window
Standard	Normal office hours: 07:00 - 17:00 on Monday to Friday, excluding public holidays
Extended	Extended Office Hours - 07h00 - 22h00 Monday to Friday and 07h00 am 17h00 on Saturdays, including public holidays
Premium	Full - 24 hours a day, 7 days a week, all year round

OPERATIONAL REPORTS

- 1.39. The Service Provider will provide Transnet with suggested Standard Operational Reporting which will be reviewed and approved (with any changes required) by Transnet. These reports will be developed and delivered by the Service Provider at no additional cost to Transnet.
- 1.40. From time to time, Transnet may request changes or improvements to the Standard Operational Reports, additional Standard Operational Reports, or request an ad hoc report. These changed reports and ad hoc reports will be developed and delivered by the Service Provider at no additional cost to Transnet.

SERVICE LEVELS: SPECIFICATION AND TARGETS

1.1. Table 5 *Service Levels* details the Service Levels and their respective Service Level Performance Targets.

Table 5: Service Levels			
1. Service Availability: FTC Network Availability – Hosted Collaboration Services and network interconnections			
Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
Availability is defined as the percentage Scheduled Uptime (accessibility and proper functioning) of the services Back Office (Hosted Collaboration Services, ACD, IVR, interconnections, Management and billing systems.) infrastructure.	Availability will be based on the per service actual hours available within the selected service. Actual hours are measured in elapsed hours within the Standard SCW .	Overall availability of each service	99.90%

Table 5: Service Levels continued

2. Service Build and Change (IMACD)

Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
2a Quotation Period (if required)	IMACD Quotation Delivery Time including site visits if required. This service level applies all IMACD services.	Complete and accurate quoting	≤ 5 business days
2b Install, Move, Dismantle Transnet Standard Customer Premise Peripherals Equipment	Time installs, move or dismantle service	< 0% recall of all completed installations, moves and dismantlement	≤ 3 business days
2c Adds and Changes Configuration changes to existing services requiring a site visit	Change configuration time	< 0% recall of all completed adds or changes	≤ 3 business days
2d Adds and Changes Remote configuration changes (soft IMAC)	Change configuration time	< 0% recall of all completed adds or changes	≤ 2 business days

Table 5: Service Levels continued

3. Maintenance and Repair – Time To Repair

Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
3a FTC Network Service Elements - Hosted Collaboration Solution and Interconnections	Time to Repair	No repeat faults within the measurement period	≤ 4 hours
3b Contact Centre Voice logger, ACD, CMS, IVR, agent console, supervisor console and wall boards (including programming faults)	Time to Repair	No repeat faults within the measurement period	≤ 4 hours
3c Customer Premise Peripheral Equipment Telephone instruments	Time to Repair	No repeat faults within the measurement period	Standard Services ≤ Next Business and Day Critical/VIP Service ≤ 4 hours

Table 5: Service Levels continued

4. Quality: Monthly Service Review Pack

Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
Timely delivery of the complete monthly pack as agreed by both parties.	Measurement Interval is monthly.	If the Pack is delivered no later than by Close of Business on the 10th Business Day of the Month, then this Service Level is met, otherwise it is failed. Any challenge should be communicated by the Service Provider and agreed to by both parties. Approval will be at Transnet's discretion.	Pack is delivered no later than Close of Business on the 5th Business Day of the Month. Incase of an SLA breach and non communicated excuse, the Service Provider is expected to initiate the service credit process as stipulated and agreed.

Table 5: Service Levels continued

5. Quality: End User Satisfaction

Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
Percentage of survey responses which indicate that the End User was satisfied. The methodology may be modified by agreement between the parties.	Upon ticket resolution each End User will be invited via an automated email to complete a simple survey. The measurement criteria may be modified by agreement between the parties. Note: This service level is not weighted, meaning it will have no service credits calculated against it.	Service Level Achievement % = (Total survey responses where respondent was satisfied ÷ Total survey responses received) × 100 where all responses were received in the Measurement Interval. The formula may be modified by agreement between the parties.	% of satisfied survey respondents ≥ 80% Per OD, service credits will only apply if the number of responses received is greater than or equal to either 20 responses or 10% of the number of tickets resolved, whichever is the lesser. Performance target may be modified by agreement between the parties.

Table 5: Service Levels continued

6. Billing: Transnet

Column A Service Level Description	Column B Measurement Notes	Column C Formula	Column D Performance Target
The Service Provider must keep and maintain an accurate billing information as per signed agreement and approved pricing workbook.	The Service Provider to provide a sample of billing information. Billing information to be reviewed by Transnet Group representatives (where required, depending on business requirements and approved 3 Business Days prior to agreed billing date or another date agreed to during transition.	Service Level Achievement % = Number of records in error per month / ? * 100 Formula may be modified by agreement by both parties.	Billing accuracy $\geq 99.33\%$ This equates to no more than 1 record in error (or missing) per month. Target may be modified by agreement by both parties.