

THIS AGREEMENT DOES NOT CONSTITUTE A FINAL AGREEMENT BETWEEN THE PARTIES. SARS RESERVES THE RIGHT TO AMEND SAME, AT ITS OWN DISCRETION, AT ANY POINT PRIOR TO SIGNATURE HEREOF

ANNEXURE D
IT NETWORK TROUBLESHOOTING AGREEMENT
SERVICE LEVEL AGREEMENT

1. PURPOSE

- 1.1 The purpose of this SLA is to provide a frame work against which the quality of the Services and operation and functionality of the IT Network Troubleshooting Solution will be measured.
- 1.2 This **ANNEXURE D** sets out each Service Level and Performance Criteria/Standards and Service Level Credit applicable to the Services.
- 1.3 The Service Provider undertakes for the Term and any extension thereof, to provide the Services in accordance with the Service Levels and Performance Criteria/Standards as stated herein.
- 1.4 Notwithstanding the above, the Service Provider shall be excused from failing to meet the Service Levels or Performance Criteria/Standards to the extent that non-performance or delayed performance is caused by SARS, SARS Personnel or a Force Majeure Event.

2. INTERPRETATION

- 2.1 This Service Level Agreement (SLA) is being executed by the Parties pursuant to the Network Trouble Shooting Agreement entered into by the Parties and dated • incorporated herein by reference.

- 2.2 In this SLA, unless the context clearly indicates the contrary, any term defined in the Network Trouble Shooting Agreement and/or RFP 35/2018 shall when used herein, bear the same meaning as defined in the Network Trouble Shooting Agreement.

3 RESPONSIBILITIES OF THE PARTIES

3.1 The Service Provider's Responsibilities:

3.1.1 The Service Provider will with effect from the Effective Date, render the necessary 24 X 7 x 365 days maintenance and support as standard as per the OEM support for the solution. Such support can be in a form of onsite, telephonic or online depending of the severity of the incident.

3.1.2 The Service Provider will deliver the Services required in accordance with specific Service Levels which refers to the hours during which SARS will be provided with the Service including the necessary response and turnaround times for such Service.

3.2 Maintenance Services

3.2.1 Without limiting Service Provider's obligations under the Agreement, the Service Provider shall during the Term and at all times:

3.2.1.1 maintain the Solution at the Location by keeping the Solution in conformance with or restored to the Functional Specification and/or OEM's specifications.

3.2.1.2 adhere to the maintenance standards and technical accreditations of the OEM;

3.2.1.3 adhere to the Performance Criteria/Standards and Service Levels; and

3.2.1.4 include all activities necessary to perform the Services which includes without being limited thereto, asset management Incident management; Problem management and change management obligations.

3.2.2 Without limiting the generality of the foregoing, the Service Provider shall provide preventive Maintenance Services, on an on-going basis to minimise disruption to SARS's business, the Services and the end users, in accordance with the relevant OEM's instructions or as otherwise mutually agreed ("**Preventative Maintenance**"). The Service Provider's Preventative Maintenance obligations shall include:

- 3.2.2.1 performing Maintenance Service in accordance with this SLA and OEM instructions;
- 3.2.2.2 on-site inspections, including predictive fault investigation testing and diagnosis as well as replacement and repair services;
- 3.2.2.3 implementing corrections and solutions in relation to the activities set out in the previous paragraph so that the Solutions shall on an on-going basis:
- 3.2.2.4 operate in accordance with the Functional Specification and/or OEM's specifications; and
- 3.2.2.5 perform in accordance with this Agreement.
- 3.2.3 at SARS's request should the Service Provider be unable to procure parts for existing Solution or where an component is going out of manufacturer support, the Service Provider undertake to recommend to SARS that such Solution be replaced or upgraded before the support period expires in accordance with the operational change management procedure agreed to by the Parties in writing;
- 3.2.4 maintaining and updating maintenance and repair records relating to the Solution, conducting trend analysis and predictive Incident and Problem management and provide a bi-annual report in this regard;
- 3.2.5 recommending and, if directed by SARS, implementing methods of minimising the downtime caused by Maintenance and break-fix and alternative or new Solution to achieve this goal;
- 3.2.6 complying with relevant maintenance recommendations, specifications or suggestions published from time to time by the manufacturer of the Solution in accordance with the timelines set forth in such recommendations, specifications or suggestions; and
- 3.2.7 where available, subscribing to user/developer/engineering information services that are made available by the OEM of the Solution.

3.3 **Scheduled Maintenance**

- 3.3.1 In addition to the above the Service Provider shall provide preventative maintenance on an ongoing basis to minimise disruptions to SARS accordance to the OEM instructions. The Service Provider shall perform inspections and Maintenance activities as per the SARS Change process and as agreed to by SARS.

3.3.2 The Service Provider shall promptly notify SARS of any Upgrades or New releases. Provide with each notification , release notes specifying the nature of such upgrade or new release and if any adverse effects which the upgrade or new release may be expected to have , e.g. degradation in performance of the software

3.3.3 The Service Provider undertakes that such release notes shall contain sufficient information to enable SARS to determine whether such upgrade or new release will be appropriate to SARS requirements. Should SARS wish to review the upgrade or new release, then SARS shall notify Service Provider accordingly .

3.4 **Support Services**

3.4.1 Without limiting the Service Provider's obligations under this Agreement, Supplier will at all times:

3.4.1.1 Support the Solution at the Location by keeping the Solution in conformance with or restored to the Functional Specification and/or OEM's specifications.

3.4.1.2 adhere to the support standards and technical accreditations of the OEM;

3.4.1.3 adhere to the Performance Criteria/Standards and Service Levels; and

3.4.1.4 include all activities necessary to perform the Services which includes without being limited thereto, asset management Incident management; Problem management and change management obligations.

3.4.2 The Service Provider shall, as part of the break-fix, diagnose the Problems underlying Incidents affecting Solution, including by means of consulting applicable documentation and expertise and performing diagnostic testing ("**Diagnosis**").

3.4.3 The Service Provider shall, as part of the break-fix, attempt to repair Solution that is malfunctioning. In the first instance, the Service Provider shall attempt to perform such repair at the Location where such Solution resides (collectively, "**On-site Repair**"). The Service Provider may perform such repair by identifying a malfunctioning component Solution and replacing such components with a Part, provided that the requirements of the Service Levels are satisfied. In such event, title to the Part will transfer to SARS upon successful acceptance testing.

- 3.4.4 In the event that the Service Provider is unable to successfully repair a component of Solutions by means of On-site Repair, the Service Provider will remove the malfunctioning component from SARS's Location and identify and apply (in accordance with the operational change management procedure) any temporary workarounds or permanent correction.
- 3.4.5 After repairing a Solution or causing such Solution to be repaired, as well as after replacing such Solution with a new Solution, the Service Provider shall install such repaired or new Solution in accordance with the OEM instructions.
- 3.4.6 As part of the Maintenance and Support Services, The Service Provider shall at its expense, obtain, maintain, and manage pools of parts and consumables in amounts and locations determined in the Service Provider sole discretion to be necessary in order to render Maintenance and Support Services in accordance with the applicable Performance Criteria/Standards and Best Practice Standards.
- 3.4.7 The Service Provider shall use parts and consumables that were manufactured by the same OEM as the original part (except where, and to the extent, otherwise agreed in writing by SARS in its sole discretion) and that comply with SARS's PPS&G. Parts used by The Service Provider must be new. After the expiry of the Solution's warranty period and with SARS's express agreement in writing, the Service Provider may use, in the Service Provider's reasonable discretion, remanufactured or refurbished parts, provided however, that the Service Provider's determination in this regard will not relieve Supplier of its obligation to render the Services in accordance with the applicable Performance Criteria/Standards and Best Practice Standards and the Service Provider shall not act in a way that voids the warranty and provided further that the Service Provider will provide a monthly report in this regard.
- 3.4.8 Upon a part being installed as contemplated in this Agreement, all rights, title, and interest in such parts shall transfer to SARS without any further action required on the part of either Party, and free of any liens or other encumbrances.
- 3.4.9 Any parts installed by the Service Provider must not void the OEM's warranty and must be configured for the particular component of Solution that they are being used to repair. Should the Service Provider void such warranty, the Service Provider shall, for the remainder of the warranty period so voided, perform in accordance with the warranty in the OEM's stead.

- 3.4.10 Providing secure storage for parts and consumables shall be the sole and exclusive responsibility of the Service Provider.
- 3.4.11 On termination of the Agreement, SARS will not be obliged to purchase any parts or consumables held by the Service Provider. Should SARS however exercise the option to purchase parts or consumables, the Service Provider shall charge the pricing set out in the RFP.
- 3.5 **Single Point of Contact (SPOC) The Service Provider**
- 3.5.1 The Service Provider will provide a SPOC for all contacts ("**Contacts**") between the Parties relating to Incidents, Problems, performance, receipt and provision of the Services and use of the Solution. The SPOC will provide primary support for resolution of Incidents, Problems or requests relating to the Services and will provide a seamless interface for other communications or activities relating to the Deliverables.
- 3.5.2 The Service Provider will keep a detailed record of all Contacts. Contacts may relate to known or suspected Incidents or Problems, requests for Changes or Deliverables, or questions relating to the use of the Deliverables.
- 3.5.3 The Service Provider will maintain and update the SARS incident management system with updates to Contacts and upon completion of the activities required or as requested by SARS. SARS will be responsible for providing web based access to the SARS incident management system. The Service Provider will be responsible for managing and providing its Staff with devices and network connections necessary to operate and connect to the incident management web-based access provided by SARS.
- 3.5.4 The Service Provider will report to SARS monthly on the number and disposition of Contacts received. Contacts will be categorised as follows: (i) Incidents or Problems relating to the Deliverables; (ii) questions relating to the Deliverables; (iii) requests for Changes; (iv) other issues or questions relating to the Deliverables; or (v) issues or questions that do not relate to the Deliverables.
- 3.5.5 With respect to telephonic Contacts, the SPOC will as far as reasonably possible immediately resolve such Contacts without transferring or escalating the Contact.

- 3.5.6 The Service Provider will ensure that the Service Provider Personnel providing SPOC functions will be trained in, or will otherwise be made knowledgeable about, the Deliverables, the environments and SARS. The Service Provider will provide sufficient numbers of the Service Provider Personnel with the requisite training to be able to address SARS's specific issues and questions.
- 3.5.7 The Service Provider will provide contact information so that the Supplier Personnel providing SPOC functions can be accessed as appropriate on a 24x7x365 basis.

4 PROFESSIONAL SERVICES

- 4.1 The Service Provider must provide SARS with *ad hoc advisory* services related to the Services, including advising and recommending on Software updates, continuous improvements, Upgrades and possible technological enhancements at no additional cost to SARS.
- 4.2 Formal professional services assignments may be engaged on a paid-for basis. Formal paid-for consulting assignments will only be provided on written authorisation by SARS to the Service Provider. The Service Provider must provide rates per day for all levels of skills which may be required on a professional services basis during the Term. Professional services will be provided in line with the rates as provided by the Service Provider in response to the RFP 35/2018 and resolve all Problems and/or Incidents raised by SARS to the satisfaction of SARS in accordance with the Performance Criteria/Standards and the Service Levels and within the response and turnaround times specified in the table below.

4 SARS'S RESPONSIBILITIES

- 4.1 In order to ensure effective performance of the Service by the Service Provider in accordance with the Performance Criteria, SARS will provide the Service Provider's technical Staff with reasonable access to the Location 24X7 ,365 days
- 4.2 SARS will maintain the physical environment of the Solution and any component thereof which includes without being limited thereto:

4.2.1 adequate stable power supply to meet the operating specifications of the Hardware;

4.2.2 adequate capacity to run the applications on a stable Hardware.

5 SERVICE REQUESTS, CALL LOGGING PROCEDURE AND PROCESS

5.1 All Service request and/or query including technical support will be logged by SARS via the Service Provider's Helpdesk, 24 (twenty-four) hours, 365 (three hundred and sixty five) days per year.

5.2 The following procedures must be followed by SARS when logging a call for Service request. Adherence to these procedures will ensure the best possible response and timeous response.

5.3 SARS shall contact the Service Provider's Helpdesk support by means of any of the following methods:

☎ By telephone on

☎ XXXXXXXXXXXXX

☎ By email to support@XXXXXXXXXX.com

[DRAFTING NOTE: THE INFORMATION TO BE SUPPLIED BY THE SERVICE PROVIDER]

5.4 The Service Provider will require the following Standard information from SARS in order to expedite the call:

- Company name
- Contact Name & E Mail
- Severity
- Brief description of support requested

Please note

- All faults/incidents must be reported to the Service Desk. Only logged faults / Incidents will constitute a call. Faults / Incidents communicated directly to an engineer or other service personnel will not be recognized as an official call until logged with the Service Desk.

6 AVAILABILITY

- 6.1 The Service Provider will ensure that the Service is available 24x7, 365 days.

7 SEVERITY LEVEL

7.1 Severity 1 – Critical Disruption:

- Critical failure and/or defect resulting in a total loss of the software / solution

7.2 Severity 2 - Service Disruption:

- Serious degradation of the solution as a result of a failure and thereby affecting the operation and/or functionality of the software / solution;

7.3 Severity 3 - Service Incident:

- Minor loss/degradation of the software / solution function not performing in line with the specification;

8 SERVICE PERFORMANCE

- 8.1 The Service Provider shall perform the Services promptly, in a diligent, professional and courteous manner expected in the Information Communication and Technology (ICT) sector. The Service Provider shall execute the Services in accordance with Best Industry Practices.

- 8.2 The Service Provider recognises that its failure to meet agreed Service Levels may have a material and adverse impact on the operations of SARS, which impact may result in SARS suffering damages in an amount not necessarily capable of precise determination. Accordingly, in the event that the Service Provider fails to meet any prescribed Service Levels, then in addition to all other remedies available to SARS in law, SARS may invoke the Service Level Credits and/or penalties as set out in the Service Level Agreement.

- 8.3 Without limiting the Service Level Agreement, the Service Provider shall be excused from failing to comply with any prescribed Service Levels to the extent that non-performance or delayed performance is due to the acts or omissions of a SARS official, or if it occurs as a result of a Force Majeure Event.
- 8.4 All Incidents logged with the Service Provider's Service Desk will first be evaluated according to SARS's selected Severity Levels for each specific Incident as set out in this Annexure D. The Service Level may also be reassigned by mutual agreement with the support personnel and will be communicated to the relevant role players.
- 8.5 The Service Provider will ensure that a qualified person will be available, contactable via telephone and/or email 24 (twenty-four) hours per day, Monday to Friday (Including Saturdays, Sundays and Public holidays), to provide corrective support and urgent assistance to SARS.
- 8.6 The Service Provider's technical support will be notified immediately following initial investigation of a Severity 1 incident.
- 8.7 The Service Provider will keep SARS informed of the progress of the Problem resolution and endeavour to adhere to the following times with regard to response:

SERVICE LEVEL		RESPONSE AND RESOLUTION TARGET TIME IN HOURS	
		Response Time	Resolution Time
Severity Level 1	Critical Disruption	30 Minutes	2 Hours
Severity Level 2	Service Disruptions	30 Minutes	6 Hours
Severity Level 3	Service Incidents	30 Minutes	8 Hours

9 SERVICE PERFORMANCE MANAGEMENT

- 9.1 If the Service Provider fails to meet any Service Level or Performance Criteria, the Service Provider shall:
- 9.1.1 investigate and report on the root causes of the Service Level or Performance Criteria/Standards failure;
 - 9.1.2 promptly correct the failure and begin meeting the Service Levels or Performance Criteria/Standards;
 - 9.1.3 advise SARS, as and to the extent requested by SARS, of the status of remedial efforts being undertaken with respect to such Service Level or Performance Criteria/Standards failure; and
 - 9.1.4 take appropriate preventive measures to prevent the recurrence of the Service Level or Performance Criteria/Standards failure.
- 9.2 SARS shall be entitled to reasonable access to all data in the Service Provider's possession relating to Service Levels and Performance Criteria/Standards relating to the Services contemplated in the Agreement. The Service Provider shall provide SARS with written reports on the Service Provider's performance against the Service Levels or Performance Criteria/Standards, together with any supporting information for each report as reasonably requested by SARS from time to time.
- 9.3 The Parties further record in writing that, in the event that the Services are impacted by Problems, Incidents and/or facilities, any time to repair commitments relating to Problems, Incidents and/or facilities impacting on the Services and/or provision thereof shall be resolved in accordance with the Service Performance set out in 8 above.
- 9.4 Where applicable, the Parties undertake to resolve all after-hour Problems or Incidents in accordance with the Severity Level and within the Service Level ensuring attainment of shortest time possible or such other period as agreed between the Parties at the time.

- 9.5 The Parties will monitor and assess the Service Level and Performance Criteria/Standards during Service review meetings agreed between both Parties. Frequency of review meetings are as set out in the table in clause 11 below. All issues and risks are to be noted on the agenda 1 (one) week prior to the review meeting.
- 9.6 In the instance of an agreed Service Level or Performance Criteria/Standards is not being met, it is incumbent upon the relevant Party to immediately escalate the issue and/ or risk and schedule an urgent meeting between the Parties to reach agreement on the corrective measure/s to be put in place. Both Parties will be equally responsible in ensuring that the corrective measures are documented and put into place.

10 SERVICE MEASUREMENTS

- 10.1 The Service performance will be measured by SARS using the Remedy system and SARS will make this report available to the Service Provider
- 10.2 The Parties will hold monthly service review meeting to discuss the overall Service performance.
- 10.3 The Service Provider will make monthly performance reports available to SARS on request.

11 SERVICE LEVEL MANAGEMENT

Meeting	Frequency	SARS Representative	The Supplier Representative
Service Relationship Review	Annually		ACCOUNT MANAGER
Service Performance Review	Monthly		SERVICES MANAGER PRODUCT MANAGER
Ad hoc	When need		ACCOUNT MANAGER

	basis		
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12 CONTACT DETAILS

12.1 The SERVICE PROVIDER'S HELP DESK DETAILS

Helpdesk details	Primary Number	Alternative Number
Helpdesk Number	XXXXXXXXXXXX	
Helpdesk e-mail address	XXXXXXXXXXXX	
Helpdesk standby number (after hours)	XXXXXXXXXXXX	
Other		

[DRAFTING NOTE: THE SERVICE PROVIDER TO COMPLETE]

12.2 SARS 's NOC details

	Primary Number	Alternative Number
NOC Number		
NOC e-mail address		
Other		

13 ESCALATION OF SLA FAILURES

Escalation of Service request and/or any matters relating to the Services, Service Level and/or Performance Criteria/Standards will be in accordance with each Party's respective escalation procedure, which procedure is set forth in that table below:

13.1 The Service Provider

Escalation	Contact Name	Contact Number
Helpdesk		
Team Leader		
Account Manager Director		

[DRAFTING NOTE: THE SERVICE PROVIDER TO COMPLETE]

13.2 The Customer

Escalation	Contact Name	Contact Number
Escalation #1	NOC	
Escalation #2	Product Specialist / Manager	
ESCALATION #3		

14 SERVICE LEVEL CREDIT - PENALTIES/ REMEDIES

- 14.1 The Service Provider shall perform the Services with promptness, diligence and courtesy. The Service Provider shall execute the Services in a professional manner and in accordance with the best industry practices and professional and industry standards used in well-managed operations performing services similar to the Services.
- 14.2 The Service Provider recognises that its failure to meet the Service Levels and/or Performance Criteria/Standards may have a material adverse impact on the operations of SARS and that the damage from the Service Provider's failure to meet any Service Level is not susceptible to precise determination. Accordingly, in the event that the Service Provider fails to meet a Service Level, then in addition to all other remedies available to SARS in law, SARS may, to the extent relevant and agreed to under the Service Level Agreement, recover the applicable Service Level Credit from the Service Provider.
- 14.3 The Service Provider shall be excused from failing to comply with the Service Levels to the extent that non-performance or delayed performance is caused by SARS or its Staff, or a Force Majeure Event.
- 14.4 If the Service Provider fails to meet any Service Level, the Service Provider shall:
- 14.4.1 investigate and report on the root causes of the Service Level failure;
 - 14.4.2 promptly correct the failure and begin meeting the Service Levels;
 - 14.4.3 advise SARS, as and to the extent requested by SARS, of the status of remedial efforts being undertaken with respect to such Service Level failure; and
 - 14.4.4 take appropriate preventive measures to prevent the recurrence of the Service Level failure.

- 14.5 SARS shall be entitled to reasonable access to all data in the Service Provider's possession relating to Service Levels and Service Level performance as provided for in this Agreement. The Service Provider shall provide SARS with written reports on the Service Provider's performance against the Service Levels, together with any supporting information for each report as reasonably requested by SARS.
- 14.6 When referring to penalties it is the objective of SARS to ensure compliance to the agreed Service Levels and Performance Criteria/Standards. As a result, this section should be seen as a deterrent for non compliance and therefore it will be a monetary transaction, and cannot be a credit for future solutions or services. The quantum is designed to affect positive profit only, and is not based on liquidated damages. A penalty is not a substitute for other claims as may be provided for in the Agreement.
- 14.7 In no event shall the total, aggregated amount of Service Level Credits payable by the Service Provider for a calendar month exceed fifteen percent (15%) of the amounts invoiced to SARS by Service Provider for such month (the 'At Risk Amount'), provided however that *Pass Through Expenses, Hardware and Software purchase charges, Transition service charges and Transformation service charges* invoiced in any particular month shall not count in calculating such At Risk Amount.

15 SERVICE LEVEL CREDIT PARAMETERS

- 15.1 For each Service Level failure to resolve a Problem and/or Incident in accordance with the Service Level time periods specified in clause 8.7 above, the Service Provider will pay SARS a Service Level Credit in an amount equal to 5% (five percent) of the monthly invoice amount and this percentage will escalate to a maximum of 75% (seventy five percent), of the monthly invoice if the Service Provider fails to restore the Solution.

- 15.2 Example of calculation of the Service Level Credit

Severity 1 - SLA 2 Hour	If the Service Provider fails to resolve the incident
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	<p>After 2 hours 5%</p> <p>After 3 hours 10 %</p> <p>After 4 hours 15%</p> <p>5 % will be added after every hour. Up to a maximum of 75 % of the monthly invoice.</p>
Severity 2 - SLA 6 Hour	<p>If the Service Provider fails to resolve the incident</p> <p>After 6 hours 5%</p> <p>After 9 hours 10 %</p> <p>After 12 hours 15%</p> <p>5 % will be added after every 3 hours. Up to a maximum of 75 % of the monthly invoice.</p>
Severity 3 - SLA 8 Hour	<p>If the Service Provider fails to resolve the incident</p> <p>After 8 hours 5%</p> <p>After 12 hours 10 %</p> <p>After 16 hours 15%</p> <p>5 % will be added after every 4 hours. Up to a maximum of 75 % of the monthly invoice.</p>

16 SIGNATURE

SIGNED at _____ on _____ 2018

For and on behalf of

SOUTH AFRICAN REVENUE SERVICE

Signature

Name of Signatory

Designation of Signatory

SIGNED at _____ on _____ 2018

For and on behalf of

SOUTH AFRICAN REVENUE SERVICE

Signature

Name of Signatory

Designation of Signatory

SIGNED at _____ on _____

For and on behalf of

SERVICE PROVIDER

Signature

Name of Signatory

Designation of Signatory

