

PMI SERVICE LEVEL AGREEMENT

This service level agreement (“SLA”) applies to services you (“Supplier”, “you” “your”) provide to the Project Management Institute, Inc. (“PMI”, “we”, “us”, “our”) and is part of your agreement with us, unless you and PMI agree in writing that this SLA does not apply, or unless you and PMI enter into a different written SLA that expressly supersedes this SLA.

1. Services

Services under this SLA include the following:

Service	Description	Examples
Support	Receive, document, and prioritize issue tickets and help PMI staff in the use of existing applications or services.	<ul style="list-style-type: none">• Provide general support• Answer queries about applications.• Receive and document bug reports.• Collect and document requests for changes.• Share status of requests.
Problem Correction	Bring an application back to its original functionality before the problem arose. This may include a permanent fix or a temporary work around until a permanent fix is found.	<ul style="list-style-type: none">• Fix bugs.• Retrieve functionality after abnormal program terminations.• Complete root cause analysis.• Resolve systemic issues where possible• Contact and engage PMI teams for escalation when appropriate
Application Enhancement	Modify the functionality of an existing application.	<ul style="list-style-type: none">• Apply new functionality.• Fulfil regulatory requirements.• Enhance run-time efficiency.• Modify applications based on new releases of hardware or software.

<p>Process and Application Improvement</p>	<p>Assist PMI in planning the better use of applications to meet business strategy and goals. This is a proactive attempt by the service provider to improve applications and processes, based on the service provider's increased application and business knowledge over time.</p>	<ul style="list-style-type: none"> • Help PMI staff to make strategic decisions that meet business goals. • Provide functional, architectural and process improvements as required for the support and maintenance of the system areas in scope.
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2. Penalties

Each SLA is measurable and associated with a financial penalty if not met. A penalty is a deduction from your monthly invoice expressed as a percentage of the agreed upon service delivery fee for the month in which a particular SLA was not met.

3. Reporting

The following processes will be used in order to manage a development or application maintenance outsourcing agreement, and as otherwise applicable:

3.1. Weekly Status Report

You will provide PMI with a weekly status report that gives an overall summary of the following:

- Program health
- On-going activities
- Completed tasks
- Upcoming milestones and releases
- Bug fixes
- Risk identification and mitigation plan
- Action items across different application areas

3.2. Monthly Review Meeting

Metrics will be tracked by you, summarized in a dashboard format, and discussed in a monthly meeting. This activity includes the following:

- Tracking unresolved issues from maintenance projects which impact the SLA
- Updating maintenance project progress and resolving critical issues
- Capturing agreements and disagreements and items needing escalation

3.3. Quarterly Review Meeting

A quarterly review meeting will include the following:

- The SLA will be reviewed with the IS managers involved and an amendment addendum will be created if required
- Review process will be through teleconference or face-to-face meeting session which will be booked in advance
- Review document prepared by service provider will include overall project status, issues list, metrics reporting, supporting reasons for metrics deviation, and items that need adjustment within SLA (e.g. scope, metrics, etc.)
- SLA changes will be tracked by version number and date.

3.4. Reporting Service Levels

Type	Measurement	Penalty
Weekly Status Report	Delivered at not less than seven calendar day intervals	5% of monthly invoice
Monthly Status Report	Delivered at monthly intervals and not less than two business days before scheduled review meeting	5% of monthly invoice
Quarterly Status Report	Delivered at quarterly intervals and not less than five business days before scheduled review meeting	5% of monthly invoice

4. User Support and Problem Correction

The following procedures will be used to respond to problems that are received by the help desk. A problem is defined as an unplanned system event which adversely affects application processing or application deliverables.

Measurement period for User Support and Problem Correction SLA is a calendar month. For example, if an SLA is not met during the month of April, one penalty deduction (as outlined in the SLA associated with that particular service) will be applied to the invoice for the month of April, and if it is not met for the month of May, an additional penalty deduction will be applied to the invoice for the month of May.

4.1. Prioritization Approach

Service requests for problems received by the help desk will be given a Severity Code from 1 – 4 based on how important responding to the problem is to the primary business of PMI as a whole, as well as the availability of workarounds. The Severity Code will be the basis for scheduling work on the backlog and assigning resources to the request. Critical, important, and supportive application functions are defined in the section below on Application Function Type.

Severity Code	Definition
1	A problem has made a critical application function unusable or unavailable and no workaround exists.

2	<p>A problem has made a critical application function unusable or unavailable but a workaround exists.</p> <p>or</p> <p>A problem has made an important application function unusable or unavailable and no workaround exists.</p>
3	A problem has diminished critical or important application functionality or performance but the functionality still performs as specified in the user documentation.
4	A problem has diminished supportive application functionality or performance.

4.2. Application Function Type

The table below provides a brief definition of critical, important, and supportive application functions.

Application Function Type	Description	Example
Critical	<p>These application functions are critical to ensuring business profitability or PMI reputation. Extended failure will impact profit or damage PMI reputation.</p>	<p>Significant Financial impact</p> <p>Significant Customer Facing impact</p> <p>Significant Customer Data Impact</p>
Non-Critical	<p>These application functions are important to business productivity, but are not critical to profitability or PMI reputation.</p>	

4.3. Response and Resolution Times

Severity codes are used in order to determine appropriate response and resolution times. Response and resolution times are measured from when the incident is opened by the help desk. If the problem is not resolved within the defined timeframe, continuous effort will be applied until the problem is resolved.

Severity Code	Initial Response	Estimation Response	Subsequent Responses	Resolution
1	15 minutes	2 hours	Every 30 min.	4 hours
2	30 minutes	2 hours	Every 2 hours	8 hours
3	1 hour	8 hours	Every 4 hours	4 calendar days
4	1 hour	Next business day	Weekly	20 calendar days

- **Initial Response** is when a ticket is opened and acknowledged by help desk staff.
- **Estimation Response** is when the user that logged the ticket is informed of an estimated resolution time.
- **Subsequent Responses** is the frequency with which the user that logged the ticket is updated on the resolution status.
- **Resolution** is the point at which the problem is resolved and the application function is returned to a usable and available state.

4.4. Response and Resolution Service Levels

Type	Measurement	Penalty
Severity 1 Resolution	All Severity 1 problems are resolved in less than 2 hours.	NA
	One or more Severity 1 problems are resolved in over 4 hours.	5% of monthly fees
Severity 2 Resolution	Less than 95% of Severity 2 problems are resolved in 8 hours.	5% of monthly fees
Severity 3 Resolution	Less than 95% of Severity 3 problems are resolved in 4 calendar days.	2% of monthly fees
Severity 4 Resolution	Less than 95% of Severity 4 problems are resolved in 20 calendar days.	2% of monthly fees
Response/Estimate	Less than 95% of Initial Response, Estimation Response, and Subsequent Response times are met.	2% of monthly fees
End user satisfaction	More than 95% of completed scores on problem resolution satisfaction survey have a rating of satisfied or very satisfied.	NA

	Less than 80% of completed scores on problem resolution satisfaction survey have a rating of satisfied or very satisfied.	5% of monthly fees
Maximum Problem Backlog	There are always less than <maximum> unresolved problems.	NA
Maximum Problem Aging	No problem is older than 60 days.	NA

- **End user satisfaction** is the rating provided by end users after the problem they logged is resolved.
- **Problem backlog** is the maximum number of unresolved problems.
- **Problem aging** tracks unresolved problems that are older than 60 days.

4.5. Application Availability

Availability is defined as the ability of an end user to access and execute any of the included application functions from a functioning workstation and live network connection. For an application to be available, all of its supporting systems must be operational.

Application Level	Business Hour Availability	Off-Hour Availability	Scheduled Down-Time
Definition	<i>Monday - Friday 8:30am-5:30pm EST, US</i>	<i>Monday – Friday 5:31pm-8:29am EST AND Saturday – Sunday 8am – 8am EST, US</i>	
Critical	99.5%	99.5%	Sunday 12:01am – 8am EST, US
Important	99%	98%	Sunday 12:01am – 8am EST,US
Supportive	98%	98%	Sunday 12:01am – 8am EST, US

- Any additional outages must be scheduled and approved by the PMI at least two weeks in advance, unless there is an emergency.

4.6. Application Availability Service Levels

Type	Measurement	Penalty
Critical Application Availability	Availability exceeds 99.5% every day in a 1 month period.	NA
	Availability falls below 99.5% for more than 2 days of the month during regular business hours.	5% of monthly fees
Important Application Availability	Availability falls below 99% for more than 2 days of the month during regular business hours.	5% of monthly fees
Supportive Application Availability	Availability falls below 98% for more than 2 days of the month during regular business hours.	2% of monthly fees

5. Application Enhancement

Application enhancement projects involve functional enhancements made to a properly working application to accommodate new or changed user requirements. Examples include changes that increase an application's performance, enhance a user interface, or optimize code.

Application enhancements can be requested by PMI or proposed by you. We will prioritize the order in which enhancements are performed.

5.1. Project Management

You are expected to manage application enhancement projects in a structured, organized, and cost effective manner.

- **Measurement period** for project management SLA is either the entire project span or the milestone completion span.

5.2. Project Management Service Levels

Type	Measurement	Penalty
Project Delivery	Total elapsed days until delivery is more than 20% greater than planned.	5% of the amount invoiced for the project.
	Total elapsed days until delivery is 20% less than planned.	NA

Project Budget for Time and Material Based Projects	Total billed hours for the project are more than 10% greater than the planned hours.	5% of invoiced hours for the project multiplied by the average hourly billing rate for such hours.
	Total billed hours for the project are less than 80% of the planned hours.	NA
Project Milestones (for Conventional Projects)	Total elapsed days until milestone completion is 20% less than planned.	NA
	Total elapsed days until milestone completion is more than 20% greater than planned.	5% of invoiced hours for the milestone task multiplied by the average hourly billing rate for such hours.
Sprint Outcomes (for Agile Projects)	Total elapsed days from the start to the end of sprint are greater than planned. or Functionality planned for a sprint is not delivered or documented.	5% of the amount invoiced for the sprint.
Documentation Updates (both technical and functional)	You provide documentation later than 1 week after user acceptance testing is completed.	5% of the amount invoiced for the project.

5.3. Software Quality

You will apply appropriate process and practices in order to deliver high quality software to PMI containing as few defects as is practical. Defects can include the following:

- Software bugs (*e.g.* errors or faults in source code or design that cause an application to produce an unexpected result).
- Software that is made up of working code but does not meet the initial requirements laid out by PMI and described in the functional specifications.

5.4. Software Quality Service Levels

Type	Measurement	Penalty
Success Rate at User Acceptance Test	More than 95% of user acceptance test cases in this month pass on the first execution.	NA
	Less than 80% of user acceptance test cases in this month pass on the first execution.	10% of monthly fees
Number of Severity 1 problems post production	There is no increase in the number of Severity 1 problems for 30 days after release to production	NA
	There is more than a 15% increase in the number of Severity 1 problems for 30 days after release to production	10% of the amount invoiced for the project.
Number of Severity 2 problems post production	There is no increase in the number of Severity 2 problems for 30 days after release to production.	NA
	There is more than a 15% increase in the number of Severity 2 problems for 30 days after release to production	10% of the amount invoiced for the project.
Number of Severity 3 problems post production	There is more than a 20% increase in the number of Severity 3 problems for 30 days after release to production.	10% of the amount invoiced for the project.
End user satisfaction	Less than 80% of completed scores on application enhancement	10% of the amount invoiced for the project.

	satisfaction surveys have a rating of satisfied or very satisfied.	
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6. Process and Application Improvement

You will help us to improve our applications and application maintenance processes over time, in line with our business goals and strategy. As you gain increased application and business knowledge, it is expected that you will help us to plan the better use of applications to meet business goals.

There are no SLAs associated with Process and Application Improvement.