



Attachment A – Service Level Agreements

RFP-23-01-UI

Service Level Agreements, KPI, Credits and Reporting

DLIR will have access to view and monitor Offeror dashboards, reports and/or tools. Each Service Level Agreement (SLA) presented in this document establishes the performance level expected by DLIR in a particular area. Key Performance Indicators (KPIs) are identified within each SLA and are to be measured and reported each month. Service Level Agreements found in this document are:

1. System Availability (Uptime)
2. System Performance
3. Technical Support
4. Data Recovery and Retention
5. Peak Expansion/Growth Factor
6. Operations Issue Management (Critical Deficiency Levels)
7. Regular Operational Reporting
8. System Security
9. Cyber Event

1. SLAs and Performance Monitoring

DLIR has identified specific KPIs to be key indicators of the deployed Unemployment System's operational performance and of the Offeror product support. As a SaaS system, the responsibilities for managing the system and the supporting infrastructure will be the responsibility of the Offeror.

This document presents those KPIs that pertain to the baseline Unemployment Systems product, for which the Offeror is responsible as part of the Unemployment Systems and the predefined financial penalties defined in the RFP including appropriate attachments may apply to the Offeror in the event specific KPIs are not met and the failure to achieve them has been demonstrated to be solely attributable to the baseline Unemployment Systems product. Such a failure to achieve a KPI may, at the discretion of DLIR, but consistent with predefined penalties established herein, result in payment reduction to the Offeror. DLIR reserves the right to promote any Performance Metric to the status of KPI and amend this SLA, through mutual agreement.

2. Monthly Reporting

The Offeror will monitor performance against the DLIR-specified KPIs in this document once the Unemployment System is deployed for production use. As part of defined project activities, the Offeror and DLIR will jointly develop, and test operations reports that will be used to demonstrate compliance with applicable KPIs. Once these reports have been approved, they will become part of daily and monthly production reporting processes of the deployed Unemployment Systems.

A performance report card will be generated monthly on all KPIs defined herein, regarding the prior month's performance, no later than the 5th of the month. In the event the 5th does not fall on a State of Hawaii business day, the performance report card will be submitted no later than the

last business day before the 5th of the month. The Offeror will review a draft of the official report and may choose to include additional information regarding SLA compliance in the report. All reports and data used in the determination of SLA compliance and calculation of KPI metrics shall be made available to the Offeror by DLIR.

3. Corrective Action

When a KPI reflected in an SLA is not met, and it has been demonstrated to be attributable to the baseline Unemployment Systems product, the Offeror will provide DLIR with a written Corrective Action Plan (CAP), submitted for approval by DLIR no later than 10 business days from the date DLIR requests the CAP. DLIR will consider extensions to the 10-day timeline on a case-by-case basis. The CAP will include, at a minimum:

1. The missed KPI
2. Full description of the issue
3. Cause of the problem
4. Risks related to the issue
5. The resolution, including any failed solutions implemented prior to resolution
6. Proposed corrective action going forward to avoid missing the KPI in the future

The Offeror will implement the proposed corrective action (#6 above) only upon DLIR approval of the CAP.

4. Quarterly Reviews

As part of defined project activities, the Offeror and DLIR will jointly review all KPIs and Performance Measures to determine if revisions are needed. Thereafter, similar reviews are to be held annually, upon the implementation of a material change to the support services that impacts existing KPIs, and/or at the request of DLIR.

5. Key Performance Indicators (KPI)s

The following table contains the KPIs and a detailed description of the Service Level Agreement for each KPI.

KPI Identifier	KPI Name	SLA Description
SLA-001	System Availability (Uptime)	System availability is defined as the percentage of possible uptime in a month that the production environments supporting the DLIR Unemployment Systems (including all associated components implemented and controlled by the Offeror) are available to users, to perform back-end processing, or to perform in a back-up capacity. Negotiated downtime for system maintenance during off-peak hours (7:00pm to 7:00am) is not included in the calculation of system availability.

KPI Identifier	KPI Name	SLA Description
		<p><u>Downtime Defined</u></p> <p>Downtime is defined as the time during which any component(s) of the system is not functioning or available for any reason. Production downtime is the time during which the system is not available for its intended use in production. There are two types of downtime, as defined below:</p> <ol style="list-style-type: none"> 1. Scheduled Downtime: Any period of time that the system, or any component(s) of the system, is unavailable for its intended use that has been reviewed and approved by DLIR in advance of the service interruption. Scheduled downtime, that has received approved from DLIR, does not count towards downtime performance standards. 2. Unscheduled Downtime: Any period of time that the system, or any component(s) of the system, is unavailable for its intended use that has not been approved by DLIR in advance of the service interruption. <p>DLIR and the Offeror acknowledge that system availability of the production Unemployment System is a function of several factors, including production operations, supporting infrastructure, usage patterns, and special processing demands. Scheduled downtime will be controlled by DLIR and may be required for several reasons.</p> <p>Unscheduled downtime may occur as a result of various issues, outside of the Offeror’s control and not pertaining directly and solely to problems associated with the baseline Unemployment Systems.</p> <p>For any downtime, the DLIR Unemployment System must automatically re-connect to all interfaces and external integration points and deplete all externally queued or backlogged files and transactions within twenty-four (24) hours of System operational resumption</p> <p><u>Performance Standard</u></p>

KPI Identifier	KPI Name	SLA Description
		<p>Exclusive of scheduled downtime, the Offeror must ensure a public facing system availability of 99.99% and nonpublic facing system availability of 99.99% during peak hours (7:00 am to 7:00 pm Monday-Friday) and of 98% during off-peak hours (7:00 pm to 7:00 am Monday-Friday and Saturday-Sunday), as it pertains directly and solely to availability of the baseline Unemployment Systems. In no event will the system availability defined herein exceed the actual availability of the underlying infrastructure.</p>
SLA-002	System Performance	<p>System performance is defined as the time it takes for the system to complete actions initiated by a system user.</p> <p><u>Offeror Control</u> The Offeror is expected to be responsible for that portion of the system and communication link for which the Offeror has control. For system response time performance measures, control is defined as any Offeror/subcontractor owned or administered service or component up to and including DLIR-side of the router(s). DLIR and the Offeror shall jointly define a solution to monitor and report on the response times defined in the performance standards below. All standards shall be measured and evaluated in seconds.</p> <p><u>Performance Standards</u> The Offeror must ensure a system performance response time of less than or equal to two (2) seconds for the following:</p> <ul style="list-style-type: none"> • Menu within the Baseline Application • Query to and from Database via Baseline Application • Web-Enabled Programs • Application pages to be submitted, processed, and returned back to the user while the system is under peak loads. <p>An average time of five (5) consecutive transactions taken by the system at any time and transaction type(s) will be selected by the DLIR.</p>

KPI Identifier	KPI Name	SLA Description
		<p>DLIR and the Offeror acknowledge that certain on-site extensions and configurations of the baseline application that require extensive business logic and database access, and where such complexity has been agreed upon to be of business necessity, DLIR and the Offeror may mutually agree on which of the above will be excluded from this performance standard.</p>
SLA-003	Technical Support	<p>The Offeror must provide technical support for DLIR users who report technical problems, assist with problem analysis, and provide instructions for troubleshooting problems, where that support is consistent with the terms of this SLA and any future mutually agreed to support agreements.</p> <p><u>Tracking of Support Inquiries</u> The Offeror shall maintain sufficient staff and systems to manage, track, and report on technical support services via multiple channels, including telephone, client portal, email, and mail.</p> <p><u>Hours of Operation</u> DLIR User Technical Support The Offeror’s solution for technical support for DLIR users is to be available 24 hours a day, 7 days per week.</p> <p><u>Performance Standards</u> The Offeror will ensure user support meets the following performance standards:</p> <ol style="list-style-type: none"> 1. Average Speed of Answer. All calls from DLIR to the Offeror technical support team that relate to a high priority production issue are to be answered within 30 seconds, where “answer” means the amount of time it takes to answer the call. This standard is still to be considered met if a message is left and the Offeror technical support team responds to the message and connects directly with DLIR staff within 15 minutes. At no time should any call receive a “busy” signal. 2. On Hold Time. On hold time is to be less than two minutes for all calls from DLIR to the

KPI Identifier	KPI Name	SLA Description
		<p>Offeror technical support team, where on hold time is defined as the time (in seconds) elapsed before response by a live representative (excludes speed of answer time).</p> <p>3. DLIR Email Inquiry Response Timeliness. Respond to all written and emailed correspondence tied to user technical support within one hour of receipt.</p>
SLA-004	Data Recovery	<p>Data Recovery is defined as retrieving inaccessible, lost, corrupted, damaged, or formatted data from the data repository(s).</p> <p><u>Offeror Control</u> No data loss except for data collected after the last committed transaction.</p> <p><u>Performance Standards</u> DLIR will utilize queries of the data repository(s).</p>
SLA-005	Peak Expansion/Growth Factor	<p>Peak Expansion/Growth Factor is defined as the storage capacity and ability to expand system capabilities due to changes in business requirements, legislation changes and/or modernization.</p> <p>Growth Factor will be measured by the ability to increase storage capacity as required.</p>
SLA-006	Operations Issue Management (Critical Deficiency Levels)	<p>The Offeror is to provide operational issue management to resolve problems with the enterprise solution during the Operations Phase of the project, where those problems are related exclusively to the baseline Unemployment Systems application, and consistent with the terms of the RFP Issues identified during production operations are to be categorized based upon severity, communicated to DLIR documented, resolved, and tracked by the Offeror in a form and format accessible to, and approved by DLIR.</p> <p><u>Issue Tracking</u> A DLIR approved tool will be used for the tracking of defects from identification through resolution (during</p>

KPI Identifier	KPI Name	SLA Description
		<p>UAT as well), including all testing performed to ensure the correct fix is in place.</p> <p><u>Performance Standards</u> During the Operations Phase, DLIR and the Offeror shall categorize, and the Offeror shall resolve errors pertaining to the baseline Unemployment Systems application in accordance with the following:</p> <p>Response time will be measured from the time the deficiency is discovered and logged into the defect tracking tool. Resolution time encompasses the time from the SLA response time until the correction has been migrated to the production environment by the Offeror after testing and acceptance by DLIR.</p>
SLA-007	Regular Operational Reporting	<p>For this KPI, reporting is to be defined as the processes, activities, and deliverables associated with regular production operational reporting from the deployed enterprise Unemployment Systems solution.</p> <p><u>Performance Standards</u> The Offeror will ensure production operational reporting meets the following performance standards: Note that these performance standards and penalties apply to the extent the accepted production operational reports are unavailable due to an issue solely within the baseline Unemployment Systems application.</p> <ol style="list-style-type: none"> 1. Monthly Reports Availability Schedule: accessible to users by 7:00 a.m. HST of the next State business day following the end of the month (as agreed to by DLIR and the Offeror). Reports should be aggregated by process areas and functionalities. 2. Annual Reports Availability Schedule: accessible to users by 7:00 a.m. HST of the next State business day following end of the year (federal fiscal, State fiscal, and other annual cycles). Reports should be aggregated by process areas and functionalities.
SLA-008	System Security	See Publication 1075 and OF-4 Requirements Traceability Matrix, System and Security tabs.

KPI Identifier	KPI Name	SLA Description
SLA-009	Cyber Event	A security breach is any incident that results in unauthorized access to computer data, applications, networks or devices.

6. Right to Payment Reduction

- a) KPI Payment Percentage Reduction: DLIR and the Offeror agree that failure of the deployed Unemployment Systems solution to perform in accordance with established Key Performance Indicators (the “KPI Failure”) results in a loss to DLIR.

If the deployed Unemployment Insurance Systems solution fails to meet the KPIs identified in the Service Level Agreements located in this document, and it has been demonstrated to be attributable to the Unemployment Systems solution (i.e., and not an issue related to the network) then DLIR may reduce payments to the Offeror, in the form of a defined percentage reduction of the total invoice for annual Unemployment Systems Maintenance for the subsequent period, as predefined herein.

- i. Annual Cap on KPI Payment Percentage Reduction: DLIR may reduce the amount paid to the Offeror for annual Unemployment Systems Maintenance by the Payment Reduction Percentage allocable to the KPI Failure defined in Section 7 for any month where any of the KPIs were not met.
- b) Corrective Action Delay Percentage Reduction (CAP): Each time the accepted and agreed delivery date of the any solution to a missed KPI Failure (as defined in an approved CAP defined in Section 3, Corrective Action) is extended from the approved schedule, as a result of actions by the Offeror, DLIR may further reduce the amount paid to the Offeror for annual Unemployment Systems Maintenance by an additional negotiated amount (the “CAP Reduction”) for that missed KPI.

7. KPI and CAP Payment Reduction Percentages and Annual Caps

In the instance of a KPI or CAP failure the following payment reduction percentages shall apply. All percentages shown in the tables in this section represent a percentage of the monthly allocation of the annual Unemployment Systems Operations and Maintenance fees. In other words, all percentages are relative to 1/12th of the annual Unemployment Systems Operations and Maintenance fees.

- a) KPI Failure Maximum Payment Reduction Percentages (per month): In the event of a KPI failure, the maximum payment reduction percentage per month for each SLA, is reflected in the following table, subject to the annual cumulative maximum payment reduction hereunder.

KPI Identifier	KPI Name	Maximum Payment Percentage Reduction
SLA-001	System Availability	20.0%
SLA-002	System Performance	20.0%
SLA-003	Technical Support	20.0%
SLA-004	Data Recovery and Retention	20.0%
SLA-005	Peak Expansion/Growth Factor	20.0%
SLA-006	Operations Issue Management (Critical Deficiency Levels)	20.0%
SLA-007	Regular Operational Reporting	20.0%
SLA-008	Systems Security	20.0%
SLA-009	Cyber Event	100.0%

^A Percentages shown in this table represent the percentage of the monthly allocation of the annual Unemployment Systems Operations and Maintenance fees. In other words, all percentages are relative to 1/12th of the annual Unemployment Systems Maintenance fees.

- b) CAP Failure Maximum Payment Reduction Percentage (per instance, per month): The maximum payment reduction percentage per month for any and all CAP failure(s) within the month is 20% of the monthly allocation of the annual Unemployment Systems Maintenance fees. In other words, this percentage is relative to 1/12th of the annual Unemployment Systems Maintenance fees.

8. Zero Payment – Cyber Event(s)

- a. In the instance of a cyber event, 100% reduction in payment shall be applied for a six (6) month period from the event date.

Performance Measures

Overview

The Offeror and DLIR will monitor the performance of the Unemployment Systems application and Product Support during production operations using a performance reporting system accepted by DLIR and implemented jointly by DLIR and the Offeror. Each performance standard presented in this section establishes the performance level expected by Unemployment Systems or the Offeror in a particular area.

Service Level Agreement (SLA) and Performance Monitoring

The Key Performance Indicators (KPIs) used to define the service levels found in this document are performance standards and are an adjunct to the performance standards established in this section. The KPIs differ from the performance metrics defined in this section in that DLIR has identified them to be key indicators of Unemployment System's or the Offeror's production operational performance. Failure to achieve a KPI may, at the discretion of DLIR, result in payment reduction, consistent with the reductions predefined herein; failure to meet any other performance standard defined in this section is not directly tied to fiscal withholding. DLIR reserves the right to promote any performance metric to the status of Key Performance indicator and amend this SLA, through mutual agreement.

Monthly Reporting

DLIR and the Offeror will monitor performance against the DLIR-specified Performance Measures in this document, and as part of defined project activities; The Offeror and DLIR will jointly develop production operations reports that will be used to demonstrate compliance with applicable Performance Measures. Once these reports have been approved, they will become part of daily and monthly production reporting processes of the deployed Unemployment Systems solution.

A performance report card will be generated monthly on all KPIs defined herein, regarding the prior month's performance, no later than the 5th of the month. If the 5th of the month falls on a State holiday or weekend, the report should be delivered no later than end of day on the last business day prior to the 5th. The Offeror will review a draft of the official report and may choose to include additional information regarding SLA compliance in the report. All reports and data used in the determination of SLA compliance and calculation of KPI metrics shall be made available to the Offeror by DLIR.

Quarterly Reviews

As part of defined project activities, the Offeror and DLIR will review all KPIs and Performance Measures to determine if revisions are needed. Thereafter, similar reviews are to be held annually, upon the implementation of a change that impacts existing KPIs, and/or at the request of DLIR.

1. System Availability

1.1 Public Facing Application: Unscheduled production downtime for the Public Facing Application, due to software issue and/or defects, is to be limited to no more than 2 hours cumulatively within any given month.

1.2 Non-Public Facing Application: Unscheduled production downtime for the Public Facing Application, due to software issue and/or defects, is to be limited to no more than 2 hours cumulatively within any given month.

2. System Performance

2.1 Ad-Hoc and On-Demand Reports Access Time. Within three seconds, where ad-hoc and on-demand reports access time is defined as the time elapsed from the time the report is requested until the report loads to completion on the monitor.

2.2 Data Transfer Response Time. Within three seconds, where data transfer response time is defined as the time elapsed from the time the interface file is sent/received until confirmation response (receipt, acceptance, failure, or rejection response) is sent to interface partner.

3. Technical Support

3.1 Average Speed of Connection to Live Representative. Address all calls with a live representative within 30 seconds of call answer, where a live representative is defined as the primary issue resolution operator, who will not transfer the call to another representative.

3.2 Daily Maximum Hold Time. Maximum hold time should not exceed 2 minutes for 100% of calls each day. This includes all hold time experienced during the call.

3.3 Phone Inquiry Response Timeliness. Respond to verbal (telephone, including voicemail) inquiries within one (1) hour of receipt.

3.4 Electronic Inquiry Response Timeliness. Respond to electronic (including email and web portal submissions) inquiries within one (1) hour of receipt.

4. Data Recovery and Retention

None identified at this time. Please see section SLA 004 of this document for further information.

5. Peak Expansion/Growth Factor

None identified at this time. Please see section SLA 005 of this document for further information.

6. Operations Issue Management

None identified at this time. Please see section SLA 006 of this document for further information.

7. Regular Operational Reporting

None identified at this time. Please see section SLA 007 of this document for further information.

8. Systems Security

None identified at this time. Please see section SLA 008 of this document for further information.

9. Hawaii SLA Criteria Measures within RFP

None identified at this time. Please see section SLA 008 of this document for further information.