

SERVICE LEVEL AGREEMENTS

This checklist came from:

<http://www.scotland.gov.uk/Topics/Government/Finance/spfm/interdeptransactsannex>

Updated 21st December 2001

Please also see 'Tendering for Public Sector Contacts' Section 2 which explains differences between grants, service level agreements and contracts.

[Procurement Toolkit \(link to PDF\)](#)

CHECKLIST:

Service Level Agreements should normally cover the following matters:

- a description of the commodity or service to be supplied;
- the objectives;
- the respective roles and responsibilities of the parties;
- whether the customer is tied;
- the basis of charging, e.g. whether on the basis of advance quotations, catalogue prices, scales of charges or actual costs of jobs; and provision for charges to be varied;
- (possibly as an annex) scales of charges to be paid;
- the application of VAT;
- the terms of payment (including payment conditions, e.g. how quickly bills should be paid);
- the accounting arrangements - including methods of payment;
- the billing arrangements - including the billing points and the nature of the detail to be included on invoices to enable customer to carry out adequate checks;
- the arrangements for settling disputes;
- responsibilities for losses;
- the periods of notice to be given by the supplier and customers respectively in withdrawing supplies or withdrawing custom;
- customer/supplier liaison arrangements; and
- the duration of the agreement and provision for premature termination.

NOTES:

(From a social enterprise with wide experience of Service Level Agreements)

- SLA's are not standardised across Scotland.
- Some local authorities use them as conditions of grant and some as contractual conditions. It is important that organisations understand from the outset which of these scenarios apply to their own situation.
- It is important that the SLA reflects the interests of both parties to the agreement and all organisations should check that the conditions protect their interests and if not inserts any additional conditions they may have before signing.