Attachment 001 - Service Level Agreement (SLA)
Enterprise Resource Planning (ERP)
VA-26-000769

1. SLAs, Service Credits and Remedies

The ERP Performance Work Statement (PWS) establishes service level and performance requirements applicable to the Contractor's enterprise System Integrator responsibilities. These requirements are intended to measure enterprise operational stability, user experience, business continuity, modernization performance, integration reliability, and service efficiency.

The Contractor shall measure and report SLA performance with respect the base and any exercised optional tasks. Contractor performance reports shall be accurate, complete, and submitted in accordance with the reporting schedule established in the contract. Acceptable quality levels, metric definitions, and reporting content requirements are defined in each applicable SLA table. Each SLA calculation shall identify the measurement period, data source, numerator, denominator, exclusions, service credits or remedies if applicable, and corrective action requirements when performance does not meet the required level.

Unless otherwise specified, the Government shall provide acceptance, conditional acceptance, or rejection within 10 business days of deliverable submission.

1.1 Purpose and Scope

This section establishes the service credit and remedy framework applicable to Contractor performance under Sections 1.4.1 through 1.4.6. The framework applies to all SLA categories defined in this PWS and is intended to provide the Government with graduated enforcement options proportionate to the severity, duration, and operational impact of performance failures.

Remedies established in this section are cumulative and do not limit the Government's rights under the contract, including the right to issue a cure notice, terminate for default, or pursue any other remedy available under the contract or applicable law. Acceptance of a service credit by the Government shall not constitute a waiver of any other contractual right or remedy.

Nothing in this section prevents the Government from requiring a Corrective Action Plan at any time performance is observed to be trending toward non-compliance, regardless of whether a formal Acceptable Quality Level (AQL) breach has occurred.

Incident priorities shall be assigned in accordance with the following definitions, subject to Government review and reclassification. The Government may raise incident priority based on mission impact, operational criticality, data sensitivity, executive direction, or impact to a critical business function, regardless of the number of users directly affected.

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Priority	Definition	Response Time	Resolution Target
P1	Complete loss of production platform availability or loss of a critical business function affecting 1,000 or more users, with no workaround available.	15 minutes	4 hours
P2	Significant degradation of a production service or loss of a major function affecting 250 or more users, with limited workaround available.	30 minutes	8 hours
P3	Partial loss of non-critical functionality affecting limited users, with an acceptable workaround available.	1 hour	2 business days
P4	Minor issues, cosmetic defect, service question, or low-impact condition with no material operational impact.	1 business day	5 business days

SLA compliance shall be calculated as the number of SLA-applicable incidents resolved within the applicable target divided by the total number of SLA-applicable incidents during the measurement period, multiplied by 100.

1.2 Remedy Tiers

Performance failures under this SLA shall be subject to the following tiered remedy structure. Tier applicability is determined by the duration and severity of non-compliance as defined in Section 1.4.3.

Tier	Trigger	Government Remedy
Tier 1 - Notice	AQL not met in any single measurement period.	Written notice to Contractor; Corrective Action Plan required.
Tier 2 - Service Credit	AQL not met in 2 consecutive measurement periods, or performance falls to the Credit Threshold defined per SLA.	Invoice reduction per Section 1.4.4.
Tier 3 - Cure Notice	AQL not met in three consecutive measurement periods, or performance falls to the Cure Threshold defined per SLA.	Cure notice issued in accordance with applicable contract terms and clauses; Contractor must demonstrate correction within 30 calendar days.

Tier	Trigger	Government Remedy
Tier 4 - Termination	AQL not met in four or more consecutive measurement periods, or Contractor fails to cure within the cure notice period.	Government may pursue termination or other remedies available under the contract.

A measurement period in which the Contractor meets the applicable AQL shall reset the consecutive-period counter for purposes of Tier progression. A reset does not waive the Government's right to assess credits for prior non-compliant periods or to consider performance history in future remedy determinations.

1.3 Corrective Action Plan Requirements

Upon receipt of a Tier 1 Notice, the Contractor shall submit a written Corrective Action Plan to the Contracting Officer's Representative within five business days. The Corrective Action Plan shall include, at minimum: identification of the performance standard that was not met and the measurement period affected; root cause analysis identifying contributing factors; specific corrective actions to be taken, with responsible parties and target completion dates; preventive actions to reduce recurrence risk; expected date by which full AQL compliance will be restored; and any dependencies on Government action required to support restoration.

The Government shall review the Corrective Action Plan and provide written acceptance or rejection within 10 business days of receipt. A rejected Corrective Action Plan shall be resubmitted within five business days of rejection notice. Failure to submit a Corrective Action Plan within the required timeframe, or failure to implement an accepted Corrective Action Plan within the approved schedule, shall constitute an independent performance deficiency and may accelerate progression to the next remedy tier at the Government's discretion.

1.4 Service Credit Schedule

Where Tier 2 conditions are met, the Government may reduce the applicable monthly invoice by the credit percentage defined below. Credit percentages are applied to the total monthly invoice value for the affected SLA period. Credits shall be reflected as a reduction on the next invoice following the Government's credit determination. Credits are not automatic. The Government retains discretion to apply or waive credits based on circumstances, operational impact, Contractor remediation progress, and any other relevant contract administration consideration.

1.4.1 Enterprise Availability

Monthly Availability	Credit Threshold	Credit Percentage
99.98% - 99.99%	Tier 1 - Notice only	0%
99.90% - 99.97%	Tier 2	3% of monthly invoice

Monthly Availability	Credit Threshold	Credit Percentage
99.50% - 99.89%	Tier 2 / Tier 3 escalation	5% of monthly invoice
Below 99.50%	Tier 3 - Cure Notice	10% of monthly invoice; cure notice may be issued

1.4.2 Incident Response and Service Restoration

SLA Compliance Rate	Credit Threshold	Credit Percentage
90% - less than applicable AQL per priority tier	Tier 1 - Notice only	0%
80% - 89% compliance	Tier 2	2% of monthly invoice per priority tier below threshold
70% - 79% compliance	Tier 2 / Tier 3 escalation	4% of monthly invoice per priority tier below threshold
Below 70% compliance	Tier 3 - Cure Notice	7% of monthly invoice; cure notice may be issued

Credits may be assessed independently per priority tier. A Contractor may incur credits on P1 response without incurring credits on P3 response if those tiers perform differently. Maximum aggregate credit under this subsection shall not exceed 15% of the monthly invoice in any measurement period.

1.4.3 Change, Release, and Modernization Performance

Successful Change or Release Rate	Credit Threshold	Credit Percentage
90% - less than 95%	Tier 1 - Notice only	0%
80% - 89%	Tier 2	2% of monthly invoice
70% - 79%	Tier 2 / Tier 3 escalation	4% of monthly invoice
Below 70%	Tier 3 - Cure Notice	7% of monthly invoice; cure notice may be issued

A single failed change that introduces a P1 production incident may independently trigger the incident response remedy under Section 1.4.2 in addition to the change performance remedy under this subsection. The Government may assess both remedies for the same event where both SLAs are independently breached.

1.4.4 Integration Reliability and Data Integrity

Integration Transaction Success Rate	Credit Threshold	Credit Percentage
98% - less than 99%	Tier 1 - Notice only	0%
95% - 97.9%	Tier 2	2% of monthly invoice
90% - 94.9%	Tier 2 / Tier 3 escalation	4% of monthly invoice
Below 90%	Tier 3 - Cure Notice	7% of monthly invoice; cure notice may be issued

Integration failures that result in data integrity loss or CMDB corruption shall be treated as a separate deficiency from transaction success rate failures and shall require an independent root cause analysis and corrective action plan regardless of whether the transaction success rate AQL was breached.

1.4.5 Security and Operational Resilience

Security SLA remedies are structured differently from other SLA categories given the non-negotiable nature of security compliance and the potential for mission impact. Financial credits are not the primary remedy for security failures. The primary remedies are mandatory corrective action and escalation.

Failure Type	Tier	Remedy
Failure to initiate critical security incident response within 15 minutes.	Tier 1	Written notice; Corrective Action Plan within five business days.
Failure to initiate containment within 2 hours of confirmation.	Tier 1 / Tier 2	Written notice; Corrective Action Plan; 2% monthly invoice credit if failure occurs in 2 consecutive periods.
Critical or High vulnerability not remediated within approved timeline.	Tier 1	Written notice; Corrective Action Plan; escalation to CO if unresolved after 15 calendar days.
Repeated failure to meet vulnerability remediation timelines, defined as 2 or more Critical or High vulnerabilities per measurement period.	Tier 2 / Tier 3	3% monthly invoice credit; cure notice if pattern continues across 2 consecutive periods.

Failure Type	Tier	Remedy
Security incidents attributable to Contractor failure that results in Government data exposure or operational disruption.	Tier 3	Immediate cure notice; Government may direct independent security assessment at Contractor expense.

Security remedy determinations shall be coordinated with the VA Security Operations Center and the Information Security Officer before issuance. The CO retains discretion to escalate directly to Tier 3 or Tier 4 for any security failure with confirmed data exposure or mission impact, regardless of prior tier progression.

1.4.6 User Experience, Adoption, and Service Efficiency

Monthly CSAT Score	Credit Threshold	Credit Percentage
4.0 - less than 4.5	Tier 1 - Notice only	0%
3.5 - 3.9	Tier 2	1% of monthly invoice
3.0 - 3.4	Tier 2 / Tier 3 escalation	2% of monthly invoice
Below 3.0	Tier 3 - Cure Notice	3% of monthly invoice; cure notice may be issued

CSAT credits shall not apply unless the minimum response volume established in Section 1.4.6 is achieved during the applicable measurement period. Where response volume is insufficient, the Contractor shall still provide trend analysis, user feedback summary, and corrective action recommendations.

1.4.7 Aggregate Credit Cap

Total service credits assessed across all SLA categories in any single monthly measurement period shall not exceed 15% of the total monthly invoice for that period. The aggregate cap does not limit the Government's right to issue a cure notice or pursue termination where Tier 3 or Tier 4 conditions are independently met under any SLA category.

1.4.8 Credit Assessment Process

The Contracting Officer's Representative shall review monthly SLA performance reports and provide a written recommendation to the Contracting Officer regarding whether credit conditions appear to have been met. The Contracting Officer shall determine whether any credit will be applied and shall notify the Contractor in writing of any credit to be applied. The Contractor may submit a written dispute of a credit determination to the Contracting Officer within 10 business days of notification. Disputed credits shall be resolved through the contract's disputes process.

1.4.9 Non-Waiver

The Government's election not to assess a service credit, issue a cure notice, or exercise any other remedy in a given measurement period shall not constitute a waiver of the Government's right to assess credits, issue notices, or exercise remedies in any subsequent period. The Government's acceptance of a service credit shall not constitute satisfaction of any other contractual obligation or limit the Government's rights under the contract.

1.4.10 Contractor-Initiated Disclosure

The Contractor shall proactively notify the COR within two business days of identifying a performance failure that has breached or is projected to breach an AQL. Proactive disclosure shall identify the affected SLA, the nature and scope of the performance failure, the estimated duration, contributing factors known at time of disclosure, and initial remediation steps taken or planned.

Proactive disclosure shall be considered by the Government when determining remedy tier and credit assessment, but shall not constitute a waiver of the Government's right to apply applicable remedies. Disclosure that omits material information known to the Contractor at time of submission shall not be treated as a complete proactive disclosure for purposes of remedy consideration. Failure to proactively disclose a known performance failure shall be considered an aggravating factor in remedy determination.