COLOCATIONQUOTES

# Colocation SLA Template

Sample data center service level agreement covering power, environment, network, support and security, with credit tables and the fine print buyers should check.

**Read this first.** This is a sample for reference and negotiation planning. It is not legal advice and it is not any provider's SLA. Bracketed text marks blanks and options. Your provider's SLA and master agreement control, so have counsel review them before you sign.

## Before you sign: 12 things to check in a data center SLA

| Item | What to look for | What to ask for |
|---|---|---|
| **Is there an SLA at all?** | Some master agreements include no service levels or credits anywhere. Others state availability "goals" and put the credits in a separate document. | A written SLA schedule, attached and named in the service order, with commitments and credits in the same document. |
| **Redundant power** | A "100%" promise that pays nothing when only one feed fails. | Confirm what counts as an outage, and dual-cord every critical device so you benefit from it. |
| **Measurement point** | Power measured at a receptacle under the floor, or a failure of your rack PDU excluded. | A stated measurement point at the circuit you pay for, and access to the readings. |
| **Environment** | Only "commercially reasonable efforts" to meet a guideline, no stated range, or readings taken in the room with no commitment inside your cabinet. | Stated ranges, sensor locations, and inlet readings at your cabinets for high-density deployments. |
| **Who measures** | Availability "as determined by" the provider from its own logs, or maintenance minutes removed from the base before the percentage is calculated. | Availability measured against every minute in the month, shared monitoring data, monthly reports and an incident report for every qualifying outage. |
| **Maintenance exclusions** | Unlimited scheduled maintenance, short notice, or a required maintenance window you must grant to keep credits. | A monthly cap on excluded hours and at least 7 days' notice for scheduled work. |
| **Broad exclusions** | "Any event outside the provider's control," or equipment failures excluded from downtime. | A short, specific exclusion list. Failures that redundancy should prevent count as downtime. |

| | | |
|---|---|---|
| **Credit size** | Credits as a slice of the power charge only, or a few days of service. | Credits on the full monthly charge for affected services, and run a one-hour and four-hour outage through the table. |
| **Claim deadline** | A written request within 10 business days to 30 days, sometimes only if you opened a ticket during the outage. | Proactive credits issued automatically, or a 60-day window. Either way, open a ticket the moment an outage starts. |
| **Credit cap** | Total credits capped at a share of one month's charges. | A cap of at least 100% of the affected monthly charges. |
| **Sole remedy** | Credits named as your only remedy for anything related to the outage. | Sole remedy limited to missing the service level itself, plus a chronic-failure exit. |
| **Default status** | No credits while your account is past due, or changes to the SLA on notice. | Credits that still accrue during a good-faith billing dispute, no SLA changes mid-term, and maintenance notices sent to the contacts you name. |

### How much downtime does each percentage allow?

| Availability | Per 30-day month (43,200 minutes) | Per 365-day year |
|---|---|---|
| 99.9% | 43.2 minutes | 8.76 hours |
| 99.95% | 21.6 minutes | 4.38 hours |
| 99.99% | 4.32 minutes | 52.56 minutes |
| 99.999% | About 26 seconds | 5.26 minutes |
| 100% | Zero, and any outage triggers a credit | Zero |

A one-hour outage in a 30-day month leaves about 99.86% availability. Most SLAs measure each month on its own, so a bad month cannot be averaged against a good year.

# Service Level Agreement

Schedule [B] to the Master Services Agreement between [Provider] and [Customer] dated [date]. Replace every bracketed field.

## 1. Scope

This SLA applies to the Services in each Service Order at the Facility. It is part of the Master Services Agreement (the "Agreement"). Capitalized terms not defined here have the meanings in the Agreement.

## 2. Definitions

**2.1 Measurement Month** means a calendar month. Each Measurement Month is calculated on its own.

**2.2 Outage** means a loss of a Service, as defined for that Service below, that is not an Excluded Event.

**2.3 Availability** means (total minutes in the Measurement Month minus Outage minutes) divided by total minutes in the Measurement Month, times 100.

**2.4 Redundant Power** means a pair of circuits (A and B) fed from separate distribution paths, sized so that either circuit can carry the full load alone.

**2.5 Measurement Point** means the output receptacle of the circuit delivered to Customer's cabinet or cage, as listed in the Service Order.

**2.6 Affected MRC** means the monthly recurring charges for [the affected Service / all Services in the affected cabinet or cage, including space, power and cross connects].

## 3. Power Availability

**3.1 Commitment.** Provider will deliver power at the Measurement Point at the following Availability each Measurement Month:

- Redundant Power: [100%]. An Outage occurs when both the A and B circuits are de-energized at the same time.
- Single circuit: [99.99%]. An Outage occurs when the circuit is de-energized.

**3.2 Credits.** For each Measurement Month in which Provider misses a power commitment, Customer receives the following credit:

| Cumulative Outage in the Measurement Month | Redundant Power credit | Single circuit credit |
|---|---|---|
| Up to [5] minutes | [10%] of Affected MRC | None while Availability stays at or above 99.99% (about 4.3 minutes) |

| | | |
|---|---|---|
| More than [5] to [60] minutes | [25%] | [10%] |
| More than [60] minutes to [4] hours | [50%] | [25%] |
| More than [4] hours | [100%] | [50%] |

**[Alternative credit model: for each hour or part of an hour of power Outage, one day of Affected MRC, prorated, up to the cap in Section 12.]**

**3.3 Customer conditions.** Credits for Redundant Power require that the affected equipment is connected to both the A and B circuits and that Customer keeps the combined load at a level either circuit can carry alone. Credits are not reduced because the load on one circuit exceeded [80%] of its rating unless that overload caused the Outage.

> **Buyer tip:** Single-corded equipment on an A+B pair gets the price of redundancy without the protection. If only one side fails, a redundant power SLA pays nothing, and your single-corded server still goes down.

## 4. Environmental Conditions

**4.1 Commitment.** Provider will keep supply air to Customer's space within **[64.4°F to 80.6°F (18°C to 27°C)]** and humidity within **[a dew point of 15.8°F to 59°F and no more than 60% / 70% relative humidity]**, measured at **[the cold aisle in front of Customer's cabinets, at a height of __ feet]**.

> **Buyer tip:** These defaults follow ASHRAE's recommended envelope for air-cooled IT equipment. ASHRAE allows the 70% humidity limit only where pollutant levels are low, so many sites still use 60%.

**4.2 Outage.** An environmental Outage occurs when a reading is outside the committed range for more than [30] consecutive minutes.

**4.3 Credits.** [5%] of Affected MRC for each environmental Outage, up to [30%] per Measurement Month. An Outage lasting longer than [4] hours earns [25%].

**4.4 Inside the cabinet.** Provider is not responsible for conditions inside a cabinet caused by Customer's equipment layout, missing blanking panels or loads above the density stated in the Service Order.

## 5. Network Services (if purchased)

**5.1 Commitment.** For internet or network services Customer buys from Provider and connects to redundant Provider ports, Provider will maintain [99.99%] Availability. Single-port services carry **[99.9% / no commitment]**.

**5.2 Credits.** [10%] of the affected network MRC per Outage, up to [50%] per Measurement Month.

[Optional performance targets: monthly average round-trip latency within North America of no more than [__] ms and packet loss of no more than [0.1%], each measured between Provider's core routers. Credit: [one day of network MRC] for each hour the monthly target is exceeded.]

**5.3 Third-party networks.** Circuits Customer buys from other carriers are covered by those carriers' agreements, not this SLA.

## 6. Cross Connects

**6.1 Installation.** Provider will install standard cross connects within [5] business days after a complete order and letter of authorization. For each business day of delay, Customer receives a credit of [one month of the cross connect MRC, or the installation fee waived].

**6.2 Repair.** Provider will restore a failed cross connect within [4] hours of a trouble ticket. If the failure is caused by Provider's infrastructure, the cross connect MRC for that month is waived.

## 7. Support and Remote Hands

**7.1 Response targets.** Provider will respond to Customer tickets as follows, measured from ticket creation:

| Severity | Definition | Acknowledge | Engineer engaged | Status updates |
|---|---|---|---|---|
| 1 Critical | Service down or Facility-wide issue | [15 min] | [30 min] | Every [60 min] |
| 2 High | Service degraded or redundancy lost | [30 min] | [2 hours] | Every [4 hours] |
| 3 Normal | Remote hands requests and questions | [2 hours] | [next business day] | On completion |

**7.2 Credits.** [2%] of Affected MRC for each [30] minutes a Severity 1 or 2 target is missed, up to [20%] per Measurement Month.

**7.3 Scope.** Remote hands is available [24 hours a day, every day]. Response means a qualified person working the ticket, not only an automated acknowledgment or a message that the request was received. Response targets do not guarantee resolution of problems with Customer Equipment.

## 8. Physical Security

Provider will restrict Facility access to authorized persons and monitor access with badge control and video surveillance. If a person not authorized by Customer enters Customer's locked cage or cabinet because of Provider's failure to follow its security procedures, Customer receives a credit of [50%] of the Affected MRC for that month, without limiting Customer's other rights under the Agreement.

## 9. Maintenance

**9.1 Scheduled.** Provider will give at least [7] days' written notice of scheduled maintenance that may affect a Service, including the expected window and risk to redundancy. Scheduled maintenance that causes an Outage is excluded only up to [4] hours per Measurement Month and only if performed within the noticed window.

**9.2 Notices.** Provider will send maintenance and incident notices to the contacts named in the Service Order and any added through the support portal. A notice sent only by website posting does not meet this Section.

**9.3 Emergency.** Provider will give notice as early as practical for emergency maintenance. Emergency maintenance is excluded only up to [1] hour per Measurement Month.

**9.4 Redundancy.** During maintenance on one side of a Redundant Power pair, Provider will keep the other side energized. Loss of both sides during maintenance is an Outage.

## 10. Excluded Events

An interruption is not an Outage if it is caused by: (a) Customer Equipment, software, configuration or overload; (b) acts or omissions of Customer or its contractors; (c) circuits or services not provided by Provider; (d) maintenance within the limits in Section 9; (e) a suspension permitted under the Agreement; or (f) a force majeure event as defined in the Agreement. Failures of Provider's power, cooling or network equipment are not Excluded Events, including failures that redundancy was designed to prevent.

## 11. Claiming Credits

**11.1 Proactive credits.** Provider will apply credits for Outages it records to the next invoice without a request.

**11.2 Customer claims.** For Outages Provider did not record, Customer may submit a claim within [60] days after the end of the Measurement Month, with the date, time and Services affected. Provider will respond within [10] business days with its records.

**11.3 Account status.** Credits accrue while an amount is disputed in good faith. Credits are applied to future invoices or, if no Services remain, paid within 30 days.

## 12. Credit Limits

Total credits in a Measurement Month will not exceed [100%] of the Affected MRC for that month. One Outage earns credit under only one section of this SLA, the one that pays the larger amount.

## 13. Reporting

Provider will deliver a monthly report of Availability for each Service, measured against all minutes in the Measurement Month, with maintenance and Excluded Events listed separately. For each Severity 1 event and each Outage, Provider will deliver a written reason-for-outage report within **[5]** business days, including the cause, timeline, affected Services and the steps taken to prevent a recurrence.

## 14. Chronic Failure

If Provider misses the same commitment in **[three]** Measurement Months within any rolling **[12]**-month period, Customer receives credits for more than **[three]** separate power Outages within any **[30]** days, or Outages total more than **[__]** hours within any **[7]** days, Customer may terminate the affected Services without an early termination charge by written notice within **[60]** days after the triggering event.

## 15. Remedies

Credits under this SLA are Customer's remedy for Provider's failure to meet the service level itself. Credits do not limit Customer's rights under Section 14, under the indemnity and liability sections of the Agreement, or for other breaches of the Agreement, including breaches that caused the Outage.

Provider may not change this SLA during the term of a Service Order except by written amendment signed by both Parties.

> **Buyer tip:** In the forms we reviewed for our SLA guide, the credit table was harder to move than the terms around it. Spend your negotiating time on the claim window, proactive credits, the cap, measurement points and a chronic-failure exit.

| **Provider** | **Customer** |
| --- | --- |
| _____ | _____ |
| Signature, name, title and date | Signature, name, title and date |

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