

How service level agreements ease contract performance

Joseph Bahingwire shows how service level agreements provide companies with tools to assess and enforce contractor performance.

Tenderers and suppliers should always include Service Level Agreements (SLA) in every contract for quality services from the contractor or suppliers.

Service level agreements allow contractors to propose and implement ways of achieving contract objectives.

John Mukasa, a procurement expert based in Kampala, says these are agreements with suppliers that define the service they must provide and the level of service to be delivered, and which also set out responsibilities and priorities.

"Service level agreements are contractual obligations and are often built into a contract in form of one or more clauses or as an entire section," he says.

These can be used in any supplier contract where a business' ability to meet its customer requirements is



PS ministry of Education Stephen Kagoda (L) and vice chancellor Kyambogo University Eli Katunguka sign a Memorandum of Understanding during government university donations from World Bank recently. PHOTO BY RACHEL MABALA

dependent on the supplier. It is, however, important that you are involved in drawing up the agreement together with the supplier.

In procurement, outsourcing the service level agreement defines the boundaries of outsourcing projects in terms of functions and services that

the service provider will deliver and identifies the service standards that the service provider must meet.

Dickson Musiime, another procurement officer, says the agreements should specify the consequences for failure to meet one or more service levels by the outsourced service pro-

vider to avoid conflicts later on.

"If the service provider can add significant value to customer's business, the customer should be willing to share the extra value gained. Outsourcing is a partnership arrangement in that the service provider delivers business critical services to customers to enable customers to execute on its business objectives," he adds.

Such agreements play a very important role to guide the service provider to understand customer's business requirements and to monitor their performance.

Therefore, having a comprehensive, fair and effective SLA is a key to a suc-

SLA DEFINED

A service level agreement is a part of a standardised service contract where a service is formally defined and particular aspects of the service scope, quality; responsibilities are agreed between the service provider and the service user.