

Messrs: \_\_\_\_\_  
AT : \_\_\_\_\_

TRANSNET



SERVICE LEVEL AGREEMENT FOR: -  
Contract: \_\_\_\_\_; Purchase Order: \_\_\_\_\_  
Cleaning of \_\_\_\_\_

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## SERVICE LEVEL AGREEMENT (SLA)

entered between

**TRANSNET LIMITED**

(Registration no. 1990/000900/30)

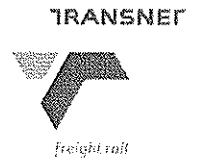
trading as Transnet Freight Rail

and

\_\_\_\_\_

“PREVIEW COPY ONLY”

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**Contract:** \_\_\_\_\_; **Purchase Order:** \_\_\_\_\_  
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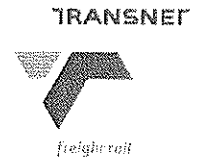
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## 1. INTRODUCTION

### 1.1 PURPOSE

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The purpose of this SLA is to ensure sound procedures and standards against which the performance of both parties can be objectively evaluated on a regular basis. The SLA will define the services, the indicators associated with these services, acceptable and unacceptable service levels, liabilities on the part of the service provider and the customer, and actions to be taken in specific circumstances.

**1.2 SCOPE**

The SLA documents the agreed procedures to be followed by both parties in the provision of cleaning services and the agreed standards to which the service will be performed to ensure continuity of the cleaning services.

**1.3 PARTIES TO THE AGREEMENT**

The following table describes and names the entities and their representatives who have reviewed and approved this SLA.

Entity	Name and surname	Contact No. (land & cell)	Email	Role

**1.4 TERM (PERIOD)**

The term of this SLA shall be as follows:

**Start Date:** \_\_\_\_\_

**End Date:** \_\_\_\_\_

**Duration:** \_\_\_\_\_

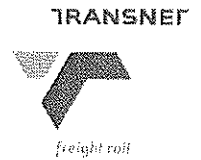
Once agreed Service Provider and Transnet Freight Rail cannot withdraw from all or part of this agreement within the above dates, unless the agreement is mutually or legally terminated

**2. SERVICES TO BE DELIVERED**

The successful Tenderer undertakes and agrees to render a cleaning service to Transnet Freight Rail in terms of the agreed standards as per the tender and the mutually concluded SLA agreement.

**2.1. THE SERVICES (OUTCOMES)**

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What do we insert here? - A clear and unequivocal definition of the details of the required service (who does what, when)

Description	Frequency	Restrictions / Comments

**2.2 BUSINESS HOURS AND SERVICE**

The official business hours at Transnet Park is 07h30 to 16h00. The cleaning personnel must remember to report as per the hours in the contract viz. 07h00 to 16h30  
 The following locations work 24/7 .....

When cleaning personnel do not report for work or proceed on sick or ordinary leave another cleaner must be seconded to that area to ensure continuity – the area will be services uninterrupted.

**2.3. UNIFORMS**

All cleaning personnel will wear uniforms that identify them as an employee of the cleaning company plus a name badge.

**2.4. REGISTER OF CLEANING BEHIND DOORS**

A cleaning register must be hung behind the doors.

**3. PERFORMANCE MEASURES, TRACKING AND REPORTING**

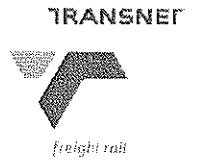
The under mentioned and other mutually agreed on measures will be used to assess the performance of the service:

**3.1 SERVICE LEVEL MEASUREMENTS**

The following measures will be used to assess the performance of the service:

Measure KPA	Frequency	Description	Service Goal
Quality of Cleaning	Monthly	The quality must be performed as per the specifications	90%

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Service Performance	Monthly	The service must be performed as per the specifications	90%
Client Satisfaction	Monthly	The service must be performed by a certain time.	90%
Supervision Satisfaction	Monthly	Supervision must be available and visible at agreed times	80%
Overall Service	Monthly	Combination of the above elements	80%

**3.2 CRITERIA TO MEASURE TARGETS**

The following criteria will be utilized to determine the achievement of the target for the period to be measured

Any repetition of the same transgression will lead to the mechanism for dismissal of the contractor

Measure	Actual Performance	Weight	Measurement Formula															
Standard and quality of Cleaning	<p>The quality must be in terms of the specifications and is based on replenishment of consumables to the various locations of: -</p> <ul style="list-style-type: none"> <li>• Cleaning materials and equipment to perform duties</li> <li>• Soaps, hand paper towels and toilet paper</li> <li>• Availability &amp; replacement of health and sanitation products</li> </ul> <p>Using the placement of consumables as a criteria allows one to quantify quality</p>	30%	<p><b>100% minus # of rejects</b></p> <p>The non replenishment of consumables at a specific location will be recorded as one reject. If there are 10 locations and 2 locations were not replenished then the reject rate = 20%</p>															
Service Performance	<p>The service performance will be in terms of the specifications and is based on the actual cleaning of the various locations per day, week or month at the various locations of: -</p> <ul style="list-style-type: none"> <li>• On time cleaning of the locations for that period</li> <li>• Cleaning of location to satisfaction of the client</li> <li>• Availability &amp; replacement of health and sanitation products</li> <li>• Cleaner on site on time</li> </ul> <p>Using the placement of consumables as a criteria allows one to quantify quality</p>	30%	<p><b>100% minus 5% for each failure</b></p> <p>One failure to clean a specific location = 5% and means the non or substandard cleaning of the location</p>															
Client Satisfaction	<p>The client in the various locations will participate in the measurement via written feedback:-</p> <ul style="list-style-type: none"> <li>• The satisfaction level experienced by the clients based on services performed and supervision attentiveness by the contractor.</li> <li>• The measurement will be based on the same targets for Standard</li> </ul>	20%	<p><b>100% minus % scored</b></p> <p>Objective : Agree on satisfaction levels</p> <table border="1"> <thead> <tr> <th>Rating Scale description</th> <th>Rating scale</th> <th>Performance Standard</th> </tr> </thead> <tbody> <tr> <td>Far Exceeding</td> <td>100</td> <td></td> </tr> <tr> <td>Exceeds</td> <td>95</td> <td></td> </tr> <tr> <td>Meets</td> <td>90</td> <td></td> </tr> <tr> <td>Below Standard</td> <td>85</td> <td></td> </tr> </tbody> </table>	Rating Scale description	Rating scale	Performance Standard	Far Exceeding	100		Exceeds	95		Meets	90		Below Standard	85	
Rating Scale description	Rating scale	Performance Standard																
Far Exceeding	100																	
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	and quality of cleaning and Supervision		Does not meet	80																						
Supervision Satisfaction	Supervision must be available and visible at agreed times <ul style="list-style-type: none"> <li>The visibility of the supervisor to the contractors cleaning personnel and attending to any request for needs to enable them to perform the services</li> <li>Sign off of Checklists by supervisor to be available behind doors or other agreed place</li> <li>Supervisor site visits on agreed dates and times and remedies poor performance</li> <li>The availability and visibility of the supervisor to the contractors cleaning personnel</li> </ul>	20%	<b>100% minus %</b> Supervision Satisfaction is construed as willingness & proficiency to Assist, Solve Problems, Sign checklists, provide alternatives, Demonstrate Service Orientation  Objective : Provide acceptable service levels																							
			<table border="1"> <thead> <tr> <th>Rating Scale description</th> <th>Rating Scale</th> <th>Performance Standard</th> </tr> </thead> <tbody> <tr> <td>Excellent</td> <td>100</td> <td></td> </tr> <tr> <td>Far Exceeding</td> <td>90</td> <td></td> </tr> <tr> <td>Exceeds</td> <td>85</td> <td></td> </tr> <tr> <td>Meets</td> <td>80</td> <td></td> </tr> <tr> <td>Below Standard</td> <td>75</td> <td></td> </tr> <tr> <td>Does not meet</td> <td>60</td> <td></td> </tr> </tbody> </table>			Rating Scale description	Rating Scale	Performance Standard	Excellent	100		Far Exceeding	90		Exceeds	85		Meets	80		Below Standard	75		Does not meet	60	
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Once weights and criterion have been determined the actual results are measured – see 3.3 for an example

**3.3 TRACKING AND REPORTING PERFORMANCE**

All roles players will be issued with the one pager Supplier Performance Document (SPD). The SPD will be completed for every incident that is not in compliance with the SLA and contract. The SPD will be completed monthly by all role players and be submitted to the Project Manager. In the event there being no Project Manager the SPD will be submitted to TFR SCS. The Service Provider representative must sign every SPD where non performance is recorded.

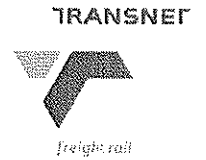
**3.3.1. REPORTING TEMPLATE - EXAMPLE**

Measure KPA	Weight	Actual Performance	Performance Evaluation	Result
Quality (90%)	30%	5 rejects	$30 \times (1.00 - 0.05) =$	28,5
Service (90%)	30%	3 failures	$30 \times [1.00 - (0.05 \times 3)] =$	25,5
Client Satisfaction (90%)	20%	90	$20 \times (1.00 - 0.1) =$	18
Supervisory Satisfaction (80%)	20%	80	$20 \times (1.00 - 0.2) =$	16
<b>Total score</b>				<b>86%</b>

*How do we determine if the service goal per KPA was met for the period?*

**Example:**

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There was 5 rejects for quality – how do we determine what % that is as the service goal = 90% for Quality

$$= 100 \times (1.00 - 0.05) = 95\%$$

When service falls below the thresholds identified TFR (Project Manager) and Service Provider will work to resolve service problems. In the event that the service does not improve a joint meeting with TFR SCS will convene. The TFR Project Manager will invite all role players. The meeting will be used to discuss and resolve problems that resulted in diminished service to TFR

A comprehensive report that documents all the results and resolutions of these problems / findings shall be minuted and distributed to the Procurement Manager and other affected Managers

**3.3.2 Absenteeism - Cleaner Absent**

1. Turnaround time to replace a worker who is absent = 2 Hours
2. Successful Tenderer must immediately contact the Project Manager AND the relevant representative of that location
3. The above is considered as breach of contract and will be recorded as an event on the Performance Report if no replacement is made within the agreed upon time frame

**4. PROBLEM MANAGEMENT**

The respective parties will work to resolve issues at the lowest possible level. To achieve this, TFR and the Contractor will formulate procedures relating to:

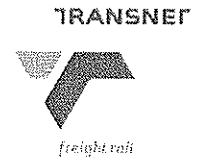
- Courses of action to take in the event of a problem
- Early identification of problems and proposed solutions
- Provision of services outside normal working hours

What is expected from the service provider in terms of suggestions and recommendations for service enhancement, cost containment, etc?

Below is a sample Joint Action Planning Template

Performance Area	Comments/Issues	Agreed Action	Responsibility for Delivery	Deadline
Quality				
Service				
Client Satisfaction				
Supervisor Satisfaction				
Contractual				
Representatives				

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## 5. PENALTY CLAUSE

In the event that the contractor *is unable to or fails to provide the required service and quality of products* on a specific day, TFR reserves the right to employ another Supplier at the expense of Contractor. All additional expenses incurred to arrange for an alternative Supplier will be for the account of the Contractor.

### 5.1 Financial Penalty and Parameters

In the event that the Contractor damages, fails to perform a cleaning service in a specific area; deliver or supplies inferior quality products or services in terms of the Performance agreement, a financial penalty as agreed to by both parties, will be imposed.

Performance Area	Reason for financial penalty	Financial Penalty
Quality		
Service		
Client Satisfaction		
Supervisory Satisfaction		
Non Compliance with contract		

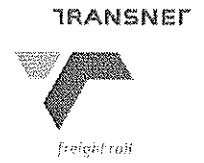
The penalty will consider and reflect the service goals and will be agreed to by SCS and the contractor.

### 5.2 Continued poor Service or failure to perform

Should the contractor fail to achieve the service goal with in xxx months, Transnet reserves the right to invoke the termination clause of the contract.



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**Cleaning of** \_\_\_\_\_

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ 2011

.....  
For **Transnet Ltd**

As Witnesses

.....

.....

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ 2011

.....  
For **Successful Tenderer**

As witnesses

.....  
**SUPPLIER PERFORMANCE DOCUMENT**  
*(To be completed monthly by representative from the various offices / locations)*