



**Attachment to Managed Application Services
Service Component Provider
Master Services Agreement
DIR Contract No. DIR-MAS-SCP-RCR-001**

Between

**The State of Texas, acting by and through
the Texas Department of Information Resources**

and

Allied Consultants, Inc.

**Attachment 3-D
Service Level Examples**

January 30, 2017

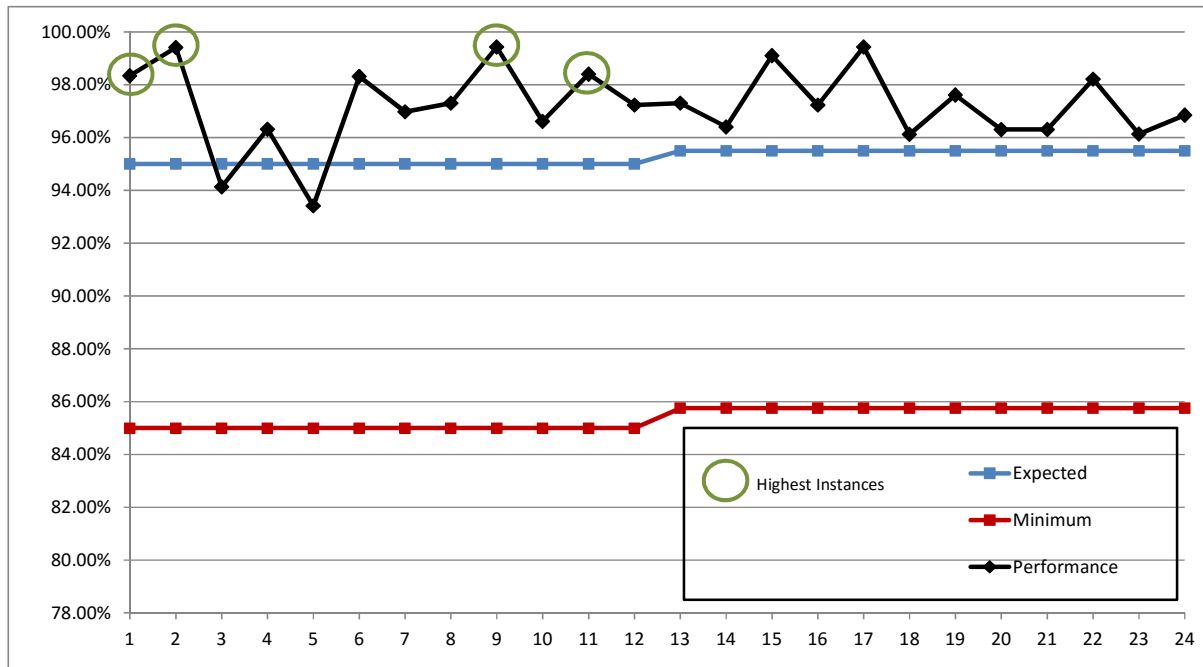
Overview

This workbook contains reference examples to clarify the Service Level methodology described in **Exhibit 3**.

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Continuous Improvement - High Performance



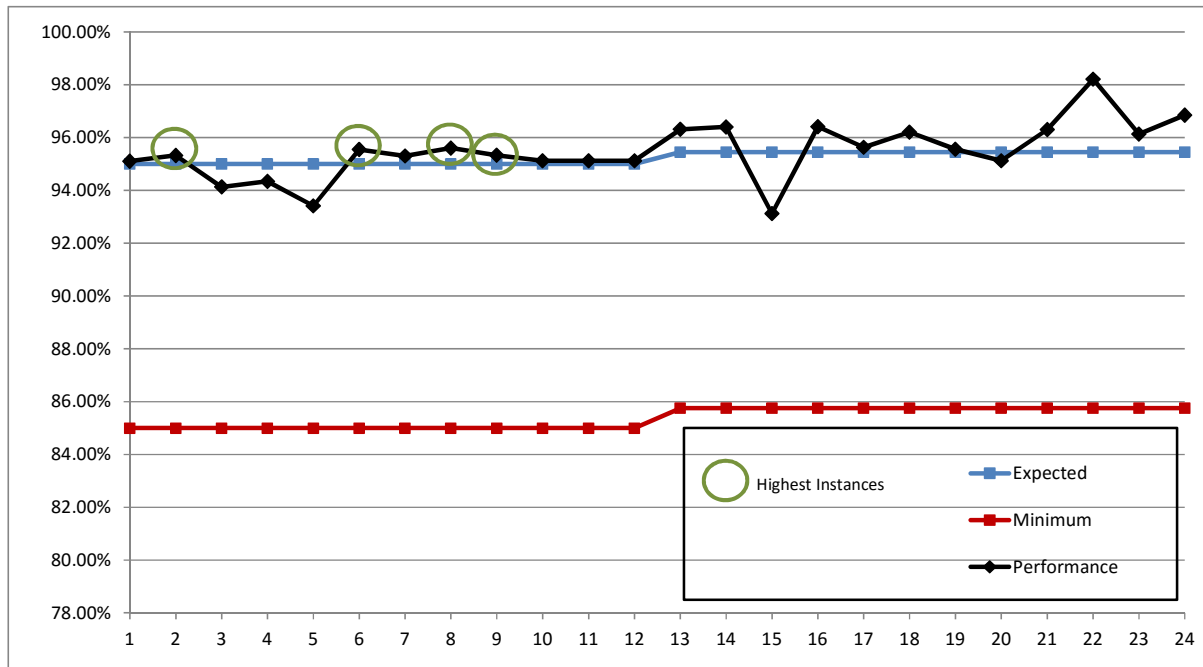
Scenario Notes

- 1.) At the end of the first twelve months, the following calculation is performed to adjust Expected:
 - (a) Average of four highest measurements
 - (b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected
 $Y1E + (1-Y1E)*.1$
- 2.) Because item (a) is higher than item (b), item (b) is used to set the Year 2 Expected
- 3.) The calculation to adjust Minimum is the Year 1 Minimum (Y1M) plus 5% of the difference between 100% and the Year 1 Minimum
 $Y1M + (1-Y1M)*.05$

Scenario Data Points and Calculations

Year 1 Minimum	85.00%
Year 1 Expected	95.00%
(a) Average of four highest measurements in Year 1	98.90%
(b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected	95.50%
Year 2 Minimum	85.75%
Year 2 Expected	95.50%

Continuous Improvement - Medium Performance



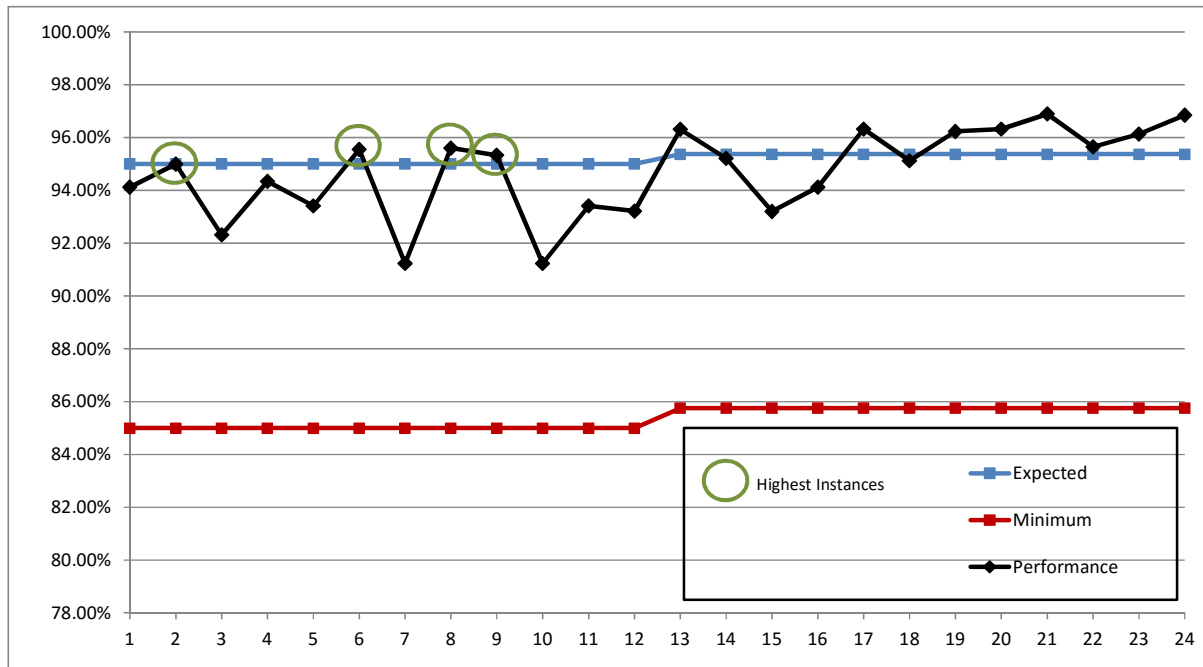
Scenario Notes

- 1.) At the end of the first twelve months, the following calculation is performed to adjust Expected:
 - (a) Average of four highest measurements
 - (b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected
 $Y1E + (1-Y1E)*.1$
- 2.) Because item (a) is lower than item (b), item (a) is used to set the Year 2 Expected
- 3.) The calculation to adjust Minimum is the Year 1 Minimum (Y1M) plus 5% of the difference between 100% and the Year 1 Minimum
 $Y1M + (1-Y1M)*.05$

Scenario Data Points and Calculations

Year 1 Minimum	85.00%
Year 1 Expected	95.00%
(a) Average of four highest measurements in Year 1	95.45%
(b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected	95.50%
Year 2 Minimum	85.75%
Year 2 Expected	95.45%

Continuous Improvement - Low Performance



Scenario Notes

- 1.) At the end of the first twelve months, the following calculation is performed to adjust Expected:
 - (a) Average of four highest measurements; in this scenario, because there are only three measurements above Expected, the fourth-highest measurement is replaced with the actual Year 1 Expected target for purposes of the average calculation.
 - (b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected

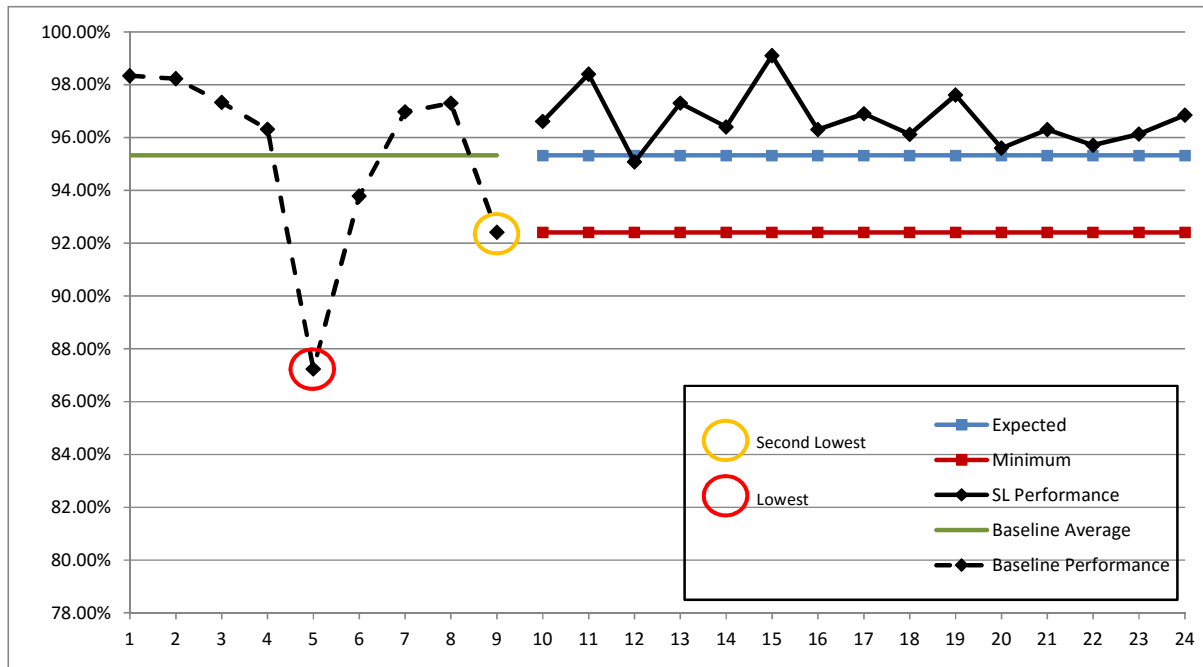
$$Y1E + (1-Y1E) \cdot 0.1$$
- 2.) Because item (a) is lower than item (b), item (a) is used to set the Year 2 Expected
- 3.) The calculation to adjust Minimum is the Year 1 Minimum (Y1M) plus 5% of the difference between 100% and the Year 1 Minimum

$$Y1M + (1-Y1M) \cdot 0.05$$

Scenario Data Points and Calculations

Year 1 Minimum	85.00%
Year 1 Expected	95.00%
(a) Average of four highest measurements in Year 1	95.37%
(b) The Year 1 Expected (Y1E) plus 10% of the difference between 100% and the Year 1 Expected	95.50%
Year 2 Minimum	85.75%
Year 2 Expected	95.37%

Baselining Performance for New Service Levels



Scenario Notes

- 1.) Measurements are made for a 9-month baselining period
- 2.) The Expected Service Level is set at the average of the nine monthly measurements
- 3.) To identify the Minimum Service Level, the following data points are used:
 - (a) Lowest measurement
 - (b) Second lowest measurement
 - (c) Standard deviation of the measurements
- 4.) In this scenario, because the lowest measurement is more than the equivalent of one standard deviation below the second lowest measurement, the Minimum Service Level is set at the second lowest measurement

Scenario Data Points and Calculations

Average of performance during baselining period	95.32%
Lowest measurement during baselining period	87.23%
Second lowest measurement during baselining period	92.41%
One standard deviation of the measurements	3.42%
Calculated Expected Service Level	95.32%
Calculated Minimum Service Level	92.41%

