Accredited Information Processor
Service Level Agreement
Version 1.0
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1. Executive Summary

1.1 Services Provided

This Service Level Agreement describes the Accredited Information Processor (hereinafter referred to as the “AIP”) commitment to provide the following customs-related services to BOC and its clients (importers, exporters and brokers) nationwide:

- Technical assistance (on infrastructure and customer care) and support to the transacting public for efficient linking with the BOC e-Customs System;
- Support to the BOC in prosecuting violations of tariff and customs laws;
- Receiving and Transmitting of electronic data to BOC offices and ports;
- Acting on the responses and messages returned by the BOC-CARES Gateway;
- Notifying clients on the status of their entries and transactions;
- Applications for BOC client registration;
- Lodgment of import declarations (Consumption, Warehouse, Transshipment, and Informal);
- Lodgment of export declarations;
- Transmission of raw materials liquidation information;
- Transmission of surety bonds information;
- Transmission of payment information;
- Transmission of online release information; and
- Other services as may be defined by the Commissioner of BOC.

1.2 Hours of Coverage

The procedures in this Agreement are followed during the hours when the BOC is in operation and accepting transactions from its clients. BOC may request emergency support for urgent issues during non-covered hours by contacting AIP Customer Care.

1.3 Measurement and Reporting

The AIP will provide BOC with the following reports in the intervals indicated (weekly, monthly, quarterly, semi-annually, and annually):

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Reporting Interval</th>
<th>Delivery Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIP Transaction Volume and Turnaround Response Time Report</td>
<td>Monthly</td>
<td>Email/FTP</td>
</tr>
<tr>
<td>AIP System Outage Report</td>
<td>Monthly</td>
<td>Email/FTP</td>
</tr>
<tr>
<td>AIP Outstanding Client Incident Report</td>
<td>Monthly; BOC On-demand</td>
<td>Email/FTP</td>
</tr>
</tbody>
</table>

1.4 Fees

The AIP shall pay all fees and charges to BOC as set out in Schedule A annexed hereto. The fees and charges do not include applicable taxes, if any. The AIP shall be responsible for any applicable taxes, if any, and BOC shall include taxes at the prevailing rates.

1.5 BOC Contracts

- Office of the Deputy Commissioner-Management Information Systems and Technology Group
- E-mail Address: ____@customs.gov.ph
- Telephone number (02)917-3222
2. Introduction

2.1 Rationale
The Philippines’ Bureau of Customs is one of two revenue-generating government agencies in the country. With revenue collections peaking to hundreds of million in a month, it contributes to most of government treasury.

Moreover, the BOC handles an average of twelve thousand (12,000) import and five thousand (5,000) export transactions per month. Given this large volume of transactions and growing number of clients, the BOC strives to provide better and more efficient to its clients, thus, paving the way for the emergence of private IT entities called AIPs.

Indeed, the AIPs play a critical role in Philippines’ customs administration. As link between BOC and BOC’s clients, it is responsible for providing high-quality front-end services for the bureau with nationwide 24 x 7 service availability. Delivering services such as submission of BOC client application, lodgment of entry declarations and transmission of transaction information, it caters to hundreds of importers, brokers, exporters and other BOC clients. Likewise facilitating BOC’s day-to-day transactions, the AIPs’ efficient and effective implementation of their systems will result to greater ease of doing business with BOC, faster processing time, faster turnaround time and greater customer satisfaction.

2.2 Purpose and Objectives
This Service Level Agreement (SLA) documents the characteristics for the provision and support of AIP service that is required by BOC and its clients as understood and agreed to by the representatives of the AIP.

The purpose of this SLA is to ensure that all components and commitments are in place to provide optimal service performance for the BOC’s business function.

2.3 Party to the Agreement
This SLA is undertaken by [AIP].

2.4 Duration Agreement
2.4.1 Effective Period
This Service Level Agreement will remain in force for three (3) years commencing on __________, unless superseded by a revised Agreement. Provide that the SLA shall be rendered ineffective should the AIP fail to meet the standards imposed by the BOC during the 6-month period prior to full accreditation. This Agreement will be reviewed annually.

2.4.2 Review Period
This Service Level Agreement will be reviewed annually and revised if;
- The business environment in which the system operates changes;
- The technical environment in which the system is delivered changes;
- At any time the BOC deems it necessary.

2.5 Definitions

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLA</td>
<td>Service Level Agreement</td>
</tr>
<tr>
<td>Availability</td>
<td>Schedule System hours - System Downtime (Unauthorized) x 100</td>
</tr>
<tr>
<td>Turnaround time</td>
<td>The time taken for an application or service to complete a client request</td>
</tr>
<tr>
<td>Time Response</td>
<td>and submit a response</td>
</tr>
<tr>
<td>Incident Time</td>
<td>The time taken for a client to receive a response after reporting and</td>
</tr>
<tr>
<td>Incident</td>
<td>the incident /problem to the service desk.</td>
</tr>
<tr>
<td>Resolution</td>
<td>The time between a client to receive a response after reporting an</td>
</tr>
<tr>
<td>Time</td>
<td>incident to the service desk, and receiving a fix or workaround.</td>
</tr>
<tr>
<td>AIP</td>
<td>Accredited Information Processor</td>
</tr>
<tr>
<td>BOC</td>
<td>Philippine Bureau of Customs</td>
</tr>
</tbody>
</table>
2.6 Reference

- Published Invitation to Apply for AIP Eligibility
- AIP Eligibility Criteria (downloadable)
- General AIP System Requirement Specifications
- AIP Terms of Reference
- Detailed AIP System Requirements Specifications

3. Scope of Service Level Agreement

3.1 Business Description

Accredited Information Processors or AIPs are BOC-accredited private ICT/IT companies that facilitate front-end processes of the BOC, support customs-specific operations and maintain Internet-based applications. They are the frontline service providers of the bureau catering to the individual and specialized requirement of importers and exporters-industry company-by-company, individual-by-individual.

Given the BOC’s thrust to continuously provide better, secure and efficient services to a growing number of clients and to cope with the increasing volume of transactions, the AIPs provide leading-edge and up-to-date technology support, security and personnel to the clients consistently and reliability, based on standards set by the BOC. As partners of the BOC, AIPs ensure provision of professional and high-quality customer care to its stakeholders.

3.2 Business Service Coverage

The Bureau of Customs has three (3) major ports in Manila, twelve (12) district provincial ports and thirty-two (32) subports nationwide. Total imports (i.e. consumption and warehousing and export entries) average to three (3) million annually.

3.3.1 Core Business Hours

For AIPs, system availability and helpdesk operations should likewise be 24x7. Full application and field support should be available from 7 AM to 7 PM, Monday to Friday.

3.3.2 Special Conditions

- During weekends, public holidays, and non-core business hours, critical system support personnel should be available on on-call basis. This is to ensure system availability during these hours.
- Extensions to Systems Hours: Appropriate AIP technical personnel should be available on extended business hours when requested by BOC. This is applicable to BOC activities that may require AIP participation such as system integration testing, system migration, system upgrades, and critical exception investigation.

3.4 Business Critical Times

The critical times for the BOC are the peak days and hours of their operations. This is when a higher than normal volume of transactions is received by BOC from its clients. Normal peak days are Fridays and days before long weekends or holidays. Peak hours occur daily between the hours of 10 AM and 12 AM daily.

3.5 Business Systems Availability

3.5.1 Business Specific Systems

This Service Level Agreement relates to the AIP Application Systems, which passed BOC’s technical evaluation and acceptance testing.

3.5.2 Vital System Components

The following are considered vital system components relating to this Service Level Agreement:

- AIP application system and interfaces
- Hardware Systems where the AIP application system in Section 3.5.1 is running
4. Performance, Tracking and Reporting

4.1 Incident Severity Codes

The following severity codes will be used to identify incidents that are reported to the AIP:

- **Priority 1**: Hardware, software, network or communication incidents, which halt the normal day-to-day services of the AIP to BOC and its clients.
- **Priority 2**: Medium Priority – These are recurring incidents, which materially affect major business functions of the BOC and its clients but can be resolved by using a viable detour or workaround to the problem.
- **Priority 3**: Low Priority – Incidents that do not constitute failure of the AIP system. These may be recurring exceptions that have minor impact on the business functions of BOC and its clients.

4.2 Benchmarks, Targets and Metrics

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Availability</td>
<td>The time the service is available, according to the service hours defined in this SLA.</td>
<td>IT will calculate the service availability using the information it gets from monitoring the service and will notify the business of the service availability as defined in the reporting section of this document.</td>
<td>99.95% average for each monthly period. i.e. 21 minutes of downtime or outage per month.</td>
</tr>
<tr>
<td>Incident Response Time</td>
<td>The time it takes for the AIP help desk to acknowledge the receipt of an incident</td>
<td>All incidents must be acknowledged at the time of receiving a call using a unique incident number</td>
<td>99.9% of call provided with an incident number at the time of receiving the call.</td>
</tr>
<tr>
<td>Incident Resolution Time</td>
<td>The time it takes for the AIP helpdesk to acknowledge receipt of an incident and the resolution of the incident</td>
<td>The expected resolution time are: Priority 1 - &lt; 2 hours Priority 2 - &lt; 4 hours Priority 3 - &lt; 8 hours or subject to development life cycle if application is involved.</td>
<td>90% of incidents are resolved within the expected resolution time.</td>
</tr>
<tr>
<td>Root cause analysis</td>
<td>The root cause of a particular incident or incidents.</td>
<td>These will be provided to the business within 23 hours of any incident or incidents.</td>
<td>99%</td>
</tr>
</tbody>
</table>

4.3 Service Level Reporting

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Report Interval</th>
<th>Delivery Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIP Transaction Volume and Turnaround Response Time Report</td>
<td>Monthly</td>
<td>Email/FTP Upload</td>
</tr>
</tbody>
</table>
4.4 Technical Evaluation and Performance Review
AIPs must successfully pass the technical acceptance tests (including systems integration, data security and integrity, communications, and performance) that will be conducted by the Management Information Systems and Technology Group of the BOC for the initial, post probationary and yearly technical evaluation, to qualify for continuous Accreditation. BOC integrated Test Plan for function/non-functional tests details shall be referred to for such tests.

AIP performance will be technically evaluated on a monthly basis with an initial performance review after six (6) months. Thereafter, the performance review will be conducted on a yearly basis. The continuous operation of the AIP will be based on the results of these regular technical evaluations and performance reviews.

5. System Support
5.1 Incident/Problem Management
The AIP shall provide incident management process subject to the approval of the AIPs Technical Support Team (TST).

5.2 Delays to Business Systems
If an outage is predicted, or a system/service is unavailable to the business during scheduled service hours, the AIP should contact the following BOC personnel.

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Telephone Number</th>
<th>Hours</th>
</tr>
</thead>
</table>

5.3 Escalation
If problem/resolution is not resolved within the aforementioned targets or metrics as specified in Section 4.2, BOC will call following AIP’s top management representative/s.

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Telephone Number</th>
</tr>
</thead>
</table>

6. Change Control
Change Control defines the process that the AIPs must follow when implementing changes to application solution specifications and service requirements. During this procedure, the impact of proposed changes to the application system functionality, service performance and cost is also measured, evaluated and reported. Compliance to the procedures and change results must be confirmed by appropriate configuration audits, acceptance tests and documentation reviews. The table below identifies the necessary procedures for change control.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Description</th>
</tr>
</thead>
</table>
| Submit a Change Request    | When BOC or AIP initiate a change request, they must fill out a Change Request/Approval Form (see Appendix 2) Describing the change and proposed solution (if known). If BOC initiates the change request, it is forwarded to the AIP who then estimates the costs and effort required to evaluate the impact of the change. At this point, the Change Request/Approval Form is logged into the register prior to further processing. Change requests will be categorized by the following categories:  
  • P1 – Urgent  
  • P2 – Ordinary  
  • P3 – Post Acceptance |
Evaluate each change request for impact on cost, service performance. Documentation/reporting, technical support, hardware, software, network infrastructure and communication protocol.

The TST reviews the impact of the change request and arrives at a decision. The decision is documented in the TST Decision section of the Change Request/Approval form. The Chairman of the TST and other members of the TST affix their signatures on the form.

For approved changes, the concurrence of the AIP President or authorized manager signifies their agreement to the changes. If the change is approved but “out of scope”, a formal contract amendment to official documents (i.e. SLA, among others), shall be prepared and processed.

If TST cannot arrive on a decision or in cases where the change request has financial or substantial impact of a level that requires the approval of the Commissioner, the change request is escalated accordingly, for approval. If the change is rejected, a notice is sent to the initiator and the status is recorded in the Change Control Register.

The change in or new procedure, service, among others, is implemented as agreed by parties concerned.

6.1 Change Classification and Notification Timescales

As a general rule, two weeks shall be allotted for change request submission and processing. However, critical changes requested or proposed may be implemented at a shorter period of time.

7. Penalties

The AIP is required to provide an acceptable level of performance based on the performance metrics identified in the preceding sections. Their performance will be evaluated on a monthly basis. If the AIP is not able to meet the Service Availability target, the following penalty schedule will be applied:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Length of Outage (minutes)</th>
<th>Rebate(Pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 15</td>
<td>None</td>
</tr>
<tr>
<td>2</td>
<td>15 – 179</td>
<td>1/10</td>
</tr>
<tr>
<td>3</td>
<td>180 – 359</td>
<td>1/5</td>
</tr>
<tr>
<td>4</td>
<td>360 – 539</td>
<td>2/5</td>
</tr>
<tr>
<td>5</td>
<td>540 – 719</td>
<td>3/5</td>
</tr>
<tr>
<td>6</td>
<td>720 – 899</td>
<td>4/5</td>
</tr>
<tr>
<td>7</td>
<td>900 – 1440</td>
<td>1</td>
</tr>
</tbody>
</table>

However, in the event that the AIP did not meet the Incident Response time, Incident Resolution time and Root Cause metrics (referred to in 4.2), the following penalties will be imposed:

- First Occurrence: Warning/Notification by BOC
- Second Occurrence: Suspension of AIP accreditation
- Third Occurrence: Revocation of AIP accreditation

8. Change Request Form

8.1 AIP Transaction Volume and Turn Around Response Time Report

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction Type</th>
<th>Customs Office</th>
<th>Count</th>
<th>User-AIP(Entry)</th>
<th>AIP-BOC(Posting)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Min</td>
<td>Max</td>
</tr>
</tbody>
</table>
### 8.2 AIP System Outage Report

<table>
<thead>
<tr>
<th>From Date/Time</th>
<th>To Date/Time</th>
<th>Duration</th>
<th>Reason for Outage</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/15/2017</td>
<td>07/15/2017</td>
<td>30</td>
<td>System Upgrade</td>
</tr>
<tr>
<td>22:00:00</td>
<td>22:30:00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>07/15/2017</td>
<td>07/15/2017</td>
<td>10</td>
<td>Network Carrier line outage</td>
</tr>
<tr>
<td>23:00:00</td>
<td>23:10:00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Change Request/Approval Form

<table>
<thead>
<tr>
<th>YYYMM-NNN-B</th>
<th></th>
<th></th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHANGE REQUEST NO.</td>
<td></td>
<td></td>
<td>1/2/3</td>
</tr>
<tr>
<td>MODULE NAME / FUNCTIONAL AREA</td>
<td>PRIORITY</td>
<td>RAISED BY</td>
<td>DATE RAISED</td>
</tr>
</tbody>
</table>

### Description of Change Being Requested (Provide attachments if any)

### Rationale for Change

### Recommended Solutions

### Alternative Solutions

### Configuration Items Potentially Affected

### Current Version Number
<table>
<thead>
<tr>
<th>YYYMM-NNN-B</th>
<th>CHANGE REQUEST NO.</th>
<th>TITLE</th>
<th>MMM-DD-YYYY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MODULE NAME / FUNCTIONAL AREA</th>
<th>PRIORITY</th>
<th>RAISED BY</th>
<th>DATE RAISED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Impact of Making the Change

Policy

Design

Testing and Evaluation

Performance

Training

Resources

Hardware/Software

Marketing and Communications

Financial

Others

Required Modifications Modification to be Performed By
<table>
<thead>
<tr>
<th>Impact Analysis Completion and Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conducted By</strong></td>
</tr>
<tr>
<td><strong>Approved By</strong></td>
</tr>
</tbody>
</table>