



COMMERCE COMMISSION

**STANDARD TERMS DETERMINATION FOR  
TELECOM'S UNBUNDLED COPPER LOCAL LOOP  
NETWORK CO-LOCATION SERVICE**

**SCHEDULE 3  
CO-LOCATION SERVICE LEVEL TERMS  
PUBLIC VERSION**

**7 November 2007**

Updated to incorporate Commerce Commission clarifications up to 23 December 2009

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## 1 Introduction

1.1 These Service Level Terms (**SLA**) are part of the Co-location Terms, which set out the rights and obligations of Telecom and Access Seekers in relation to Telecom's unbundled copper local loop network co-location service (**Co-location Service**).

1.2 The operational requirements for the Co-location Service are set out in the Co-location Operations Manual.

1.3 References to clauses or sections are references to clauses and sections of this SLA unless stated otherwise. The definitions set out in the Co-location General Terms and the Co-location Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the context of this SLA. The definitions set out in clause 1.4 apply to this SLA.

1.4 **Definitions:** In this SLA:

<b>Appendix 2 Deliverables</b>	means those deliverables set out in Appendix 2.
<b>Appendix 2 Service Levels</b>	means those Service Levels set out in Appendix 2.
<b>BAU</b>	means business as usual for the Co-location Service.
<b>Business Hours</b>	means 8.00am to 5.00pm on any Working Day.
<b>Cabinetisation Forecast</b>	means the cabinetisation forecasts required to be provided by Telecom to Access Seekers under the Co-location General Terms.
<b>Charge</b>	means any amounts payable under the Co-location Terms.
<b>Co-location Forecast</b>	has the meaning given to it in the Co-location Operations Manual.
<b>Consecutive Business Hours</b>	means a number of consecutive hours (including fractions of hours) within Business Hours (where the first Consecutive Business Hour in a Working Day is consecutive to the last Consecutive Business Hour in the preceding Working Day).
<b>Consecutive Working Days</b>	means a number (including fractions) of consecutive periods of 9 Consecutive Business Hours, where 9 is the number of Business Hours in a standard Working Day.
<b>Deliverable</b>	means a Level A Deliverable or a Level B Deliverable.
<b>Determination Date</b>	means the date on which the Co-location Standard Terms Determination relating to the Co-location Service comes into force.
<b>Escort</b>	means an escort provided to the Access Seeker by Telecom for the purposes of fault management (where applicable).
<b>Future Service Level Deliverable</b>	means any deliverable that is added to this SLA in accordance with the change mechanism set out in section 10 of the Co-location General Terms.
<b>Future Service Levels</b>	is the means by which Telecom's performance of a Future Service Level Deliverable will be measured.
<b>Half Contract Year</b>	means a 6 month period ending on 31 March and a 6 month period ending on 30 September.

<b>Level A Deliverables</b>	means those deliverables performed by Telecom pursuant to this SLA for which failure by Telecom may cause the Access Seeker diminished service quality in providing services to its End Users, as set out in Appendix 1 and Appendix 2.
<b>Level A Service Level</b>	is the means by which Telecom's performance of a Level A Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1 and Appendix 2. A Level A Service Level is subject to any exclusions specified in this SLA.
<b>Level A Service Level Default</b>	means a failure by Telecom to meet the Level A Service Level corresponding to a particular Level A Deliverable.
<b>Level B Deliverables</b>	means those deliverables performed by Telecom pursuant to this SLA which failure by Telecom is unlikely to cause the Access Seeker diminished service quality in providing services to its End Users, as set out in Appendix 1 and Appendix 2.
<b>Level B Service Level</b>	is the means by which Telecom's performance of a Level B Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1 and Appendix 2. A Level B Service Level is subject to any exclusions specified in this SLA.
<b>Level B Service Level Default</b>	means a failure by Telecom to meet the Level B Service Level corresponding to a particular Level B Deliverable.
<b>Performance Penalty</b>	means the amount that an Access Seeker is entitled to claim in the event of a Level A Service Level Default, calculated in accordance with section 8 and Appendix 3.
<b>Permitted Maintenance</b>	<p>The OO&amp;T and OFM systems may be taken out of service for routine maintenance, testing, configuration changes, software upgrades or updating facilities. Telecom will, where practicable, carry out such work between 10.00pm and 7.00am. In such cases, Telecom shall advise Access Seekers not less than 5 Working Days prior to the event.</p> <p>Telecom may, at such other times as Telecom considers reasonably necessary, take the OO&amp;T and OFM systems out of service, taking into account the need to minimise any disruption caused to the Access Seekers. Telecom will advise of such outages not less than 10 Working Days prior to the event.</p>
<b>Quote</b>	is a quote provided by Telecom to the Access Seeker and has the meaning given to it in the Co-location Operations Manual.
<b>Receipt Time</b>	means: <ul style="list-style-type: none"><li>(a) for Orders that are made using the OO&amp;T system, the time that the electronic communication containing the Order enters the OO&amp;T system; or</li><li>(b) for Orders that are made by email, the time that a Order is received in the Telecom designated inbox for receipt of such Orders,</li></ul> provided that where an Order is received outside Business Hours, the Receipt Time will be the start of the first Business Hour of the following

	Working Day.
<b>Service Levels</b>	means, collectively, Level A Service Levels and Level B Service Levels.
<b>Service Level Default</b>	means a Level A Service Level Default or a Level B Service Level Default.
<b>Site</b>	means any exchange or other part of Telecom's Network as the context requires.
<b>Specified Date</b>	means in respect of Future Service Levels, the date agreed under the change mechanism set out in section 10 of the Co-location General Terms.
<b>Telecom Build</b>	has the meaning given to it in the Co-location Operations Manual.
<b>Tolerance Level</b>	means the minimum acceptable level of performance of a Service Level for a Deliverable, expressed as a percentage in Appendix 1 and Appendix 2.

## 2 Scope

- 2.1 This SLA:
- 2.1.1 sets out the quality and performance of the Service Level commitments of Telecom to the Access Seeker for the delivery of the Co-location Service; and
  - 2.1.2 provides for a penalty mechanism where Telecom fails to meet its Service Levels.
- 2.2 This SLA may be changed in accordance with the change mechanism set out in section 10 of the Co-location General Terms.
- 2.3 Telecom will initially review the SLA 12 months after the Determination Date and thereafter every second year, with each biennial review commencing on the anniversary of the Determination Date (or earlier if requested by the Access Seeker and an earlier review is agreed to by Telecom). The change mechanism (set out in section 10 of the Co-location General Terms) will apply to any changes proposed by Telecom as a result of any review.

## 3 Service Levels

- 3.1 Telecom will provide the Deliverables in accordance with this SLA.
- 3.2 Service Levels are classified as either Level A Service Levels or Level B Service Levels.
- 3.3 The Service Levels set out in Appendix 1 apply from the Determination Date.
- 3.4 The Service Levels set out in Appendix 2 apply 20 Working Days from the Determination Date.
- 3.5 Any Future Service Levels will apply from the Specified Date.
- 3.6 The nature of any Future Service Levels, including their respective Tolerance Levels, will be set via the change mechanism process under section 10 of the General Terms.

- 3.7 If the Access Seeker updates or changes an Order under section 18.5 of the Co-location Operations Manual, the Service Levels applicable to that Order (as updated or changed) will be measured from the Notice date as set out in clause 18.5.2 (c).

## 4 Exclusions

- 4.1 The Service Levels will not apply where:

- 4.1.1 a Service Level Default is due to a Force Majeure Event;
- 4.1.2 a Service Level Default is a direct result of an Access Seeker failing to comply with an express obligation under the Co-location Terms;
- 4.1.3 expressly stated in the Co-location Operations Manual;
- 4.1.4 a Service Level Default is a direct result of:
- (a) a fault that is the Access Seeker's responsibility under the General Terms; or
  - (b) anything (including any fault) caused by the telecommunications network or equipment of any third party or the Access Seeker's Network or the Access Seeker's Equipment;
- 4.1.5 Where a fault is reported and no fault for which Telecom is responsible is detected when the service is tested from end to end;
- 4.1.6 Where a Service Level Default is due to a failure by the Access Seeker or its End-User to allow access to the premises or equipment when reasonably requested;
- 4.1.7 Where remedying a Service Level Default would result in a material health and safety risk for a Telecom employee or agent, the avoidance of which could not have been realistically predicted by Telecom; or
- 4.1.8 Where agreed between Telecom and the Access Seeker.

- 4.2 Further exclusions or limitations to Telecom's liability in respect of specific Service Levels are set out in Appendix 1 and Appendix 2. The exclusions and limitations provided in Appendix 1 and Appendix 2 are in addition to the general exclusions set out in this clause 4 and in no way limit the exclusions set out in this clause 4.

- 4.3 Where Telecom makes a decision that a Service Level Default has not occurred because one or more of the exclusions apply, the details of the exclusion are to be recorded and reported in Telecom's monthly performance report provided in accordance with clause 6.1.

## 5 Access Seeker Forecasts

- 5.1 The Access Seeker will provide accurate Co-location Forecasts to Telecom in accordance with the procedures and time frames set out in the Co-location Operations Manual.
- 5.2 If the Access Seeker fails to provide Telecom with Co-location Forecasts, Telecom will use reasonable endeavours to process any relevant Orders but the Service Levels set out at Item Numbers 1 (Initial site audit), 2 (Full site audit) and 5 (Provision of Quote) of Appendix 1, will not apply.
- 5.3 If the Access Seeker provides Telecom with an inaccurate Co-location Forecast, then there will be no requirement for Telecom to meet the Service Levels set out at Item Numbers 1 (Initial site audit), 2 (Full site

audit) and 5 (Provision of Quote) of Appendix 1, to the extent that any failure to meet the Service Levels is attributable to the inaccurate Co-location Forecast.

## 6 Reporting on Service Levels

- 6.1 Telecom will provide the Access Seeker with a performance report each month. The report will be delivered or made available to the Access Seeker within 10 Working Days of the end of each calendar month in electronic format. The report will detail Telecom's performance and compliance with each of the Service Levels over the preceding month. The format and content of the performance report will be proposed by Telecom within 10 Working Days of the Determination Date for approval by the Commission.
- 6.2 Telecom will provide the Access Seeker and the Commission with an electronic copy of a consolidated performance report within 10 Working Days of the end of each calendar month. The report will detail Telecom's performance and compliance with each of the Service Levels over the preceding month for all Access Seekers. The format and content of the performance report will be proposed by Telecom within 10 Working Days of the Determination Date for approval by the Commission.
- 6.3 The consolidated version of the performance report provided in accordance with clause 6.2 must be made publicly available on a Telecom website at the same time as it is provided to the Access Seeker and the Commission.

## 7 Service Levels Defaults

- 7.1 In the event of a Service Level Default, Telecom will provide a report to the Access Seeker and the Commission detailing:
- 7.1.1 the cause of and procedure for correcting such Service Level Default;
  - 7.1.2 the steps taken by Telecom to remedy the Service Level Default and the effectiveness of those steps; and
  - 7.1.3 any previous Service Level Defaults in respect of that Deliverable occurring during the current and preceding Half Contract Year.
- The report will be provided each month until the Service Level Default is remedied, at the same time as Telecom provides its report under clause 6.1.
- 7.2 The report provided in accordance with clause 7.1 will be made publicly available on the Telecom website (publicly accessible website) at the same time as it is provided to the Access Seeker and Commission.

## 8 Performance Penalties

- 8.1 Subject to section 4, in the event of a Level A Service Level Default, the Access Seeker will receive a Performance Penalty from Telecom. The Performance Penalty will be that set out in Appendix 3.
- 8.2 Notwithstanding clause 8.1, the Access Seeker will not be entitled to receive Performance Penalties for:
- (a) SLA 2 - Full site audit, 105 Working Days immediately following the Determination Date;
  - (b) SLA 6 - Telecom Build, 105 Working Days immediately following the Determination Date; and

- (c) SLA 12 - Expected restoration time, 105 Working Days immediately following the Determination Date

## 9 Reconciliation of Performance Penalties

- 9.1 Within 10 Working Days after the end of each calendar month, Telecom will provide a summary report to the Access Seeker that will detail the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 8, during the preceding calendar month, detailed by Service Level.
- 9.2 Where Performance Penalties are due to the Access Seeker, Telecom will set off the total amount of the Performance Penalties from the Charges due in the next invoice issued by Telecom to the Access Seeker in relation to the Co-location Service. If the Performance Penalties exceed the Charges due, then Telecom must pay the amount equivalent to the Performance Penalty, or that part of the Performance Penalty not so set off, to the Access Seeker within 20 Working Days.
- 9.3 Within 10 Working Days after each Half Contract Year, Telecom will provide a summary report to the Access Seeker that will include the following:
- 9.3.1 with respect to each Deliverable for which there was a Service Level Default during the preceding Half Contract Year:
- (a) statistics on Telecom's average monthly performance of that Deliverable, detailed by calendar month, during that Half Contract Year; and
  - (b) the average of Telecom's average monthly performance of that Deliverable during that Half Contract Year;
- 9.3.2 the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 8, detailed by calendar month, during the preceding Half Contract Year;
- 9.4 Any Performance Penalty imposed under the provisions of this SLA is credited on the basis that there is:
- 9.4.1 no admission of liability by Telecom or the Access Seeker: and
- 9.4.2 that any amount credited will be credited without prejudice to any right of either Telecom or the Access Seeker to claim for additional loss resulting from the Service Level Default.

## Appendix 1

### Initial Site Readiness and Footprint Readiness

Item No.	Level A / Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
1.	Level B	Initial site audit	Telecom will complete an initial site audit	Site audit to be completed within 5 Working Days of an Order by the Access Seeker	90%	Refer to clause 5 regarding the failure of the Access Seeker to provide Co-location Forecasts or to provide accurate Co-location Forecasts
2.	Level A	Full site audit	Telecom will complete a full site audit	Site audit to be completed within 10 Working Days of an Order by the Access Seeker	90%	Refer to clause 5 regarding the failure of the Access Seeker to provide Co-location Forecasts or to provide accurate Co-location Forecasts

### Provision of Co-location Service

Item No.	Level A / Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
3.	Level B	Order acknowledgement <sup>1</sup>	Telecom will acknowledge receipt of an Order	Provide acknowledgment to the Access Seeker within 4 Consecutive Business Hours following the Receipt Time	99%	

<sup>1</sup> Commission's notice refers to this as a "Request acknowledgement".

Item No.	Level A / Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
4.	Level B	Notification of rejection	Telecom will reject an invalid Order	Provide notification of the rejection to the Access Seeker within 3 Consecutive Working Days following the Receipt Time	90%	
5.	Level B	Provision of Quote <sup>2</sup>	Telecom will provide a Quote (including notification of expected completion date) in response to an Order	Provide Quote within 10 Working Days of receipt of Order	80%	This Service Level will not apply to Quotes provided on or around an exchange  Refer to clause 5 regarding the failure of the Access Seeker to provide Co-location Forecasts or to provide accurate Co-location Forecasts
6.	Level A	Meet expected Telecom Build completion date	Telecom will complete the Telecom Build within the time specified in the Firm Order and in accordance with the Quote and Telecom Build terms	Complete the Telecom Build within the time specified in the Firm Order and in accordance with the Quote and Telecom Build terms	100%	This Service Level will not apply where the Access Seeker fails to give notice of acceptance or rejection of Telecom's Quote
7.	Level B	Confirmation of completion of Telecom Build <sup>3</sup>	Telecom will provide confirmation of completion of the	Telecom will confirm completion of Telecom Build to the Access Seeker within 2 Consecutive Working Days of	90%	

<sup>2</sup> Commission's notice refers to this as "Notification of expected completion date".

Item No.	Level A / Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
			Telecom Build	completing the Telecom Build		
8.	Level B	Notification of Planned Outages	Telecom will advise of Planned Outages	Advise at least 5 Working Days before Planned Outage occurs	90%	Telecom will use all reasonable endeavours to schedule Planned Outages between the hours of 11:00pm and 6:00am
9.	Level B	Notification of Unplanned Outages	Telecom will advise of Unplanned Outages	Advise within 2 hours, on a 24x7 basis, of Telecom discovering or receiving notification of the Unplanned Outage	90%	

**Fault Management for Co-location Service**

Item No.	Level A / Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
10.	Level B	Fault report receipt acknowledgement	Telecom will acknowledge receipt of each fault report	Provide fault report receipt acknowledgement within half a Fault Restoration Hour of the fault being reported <sup>4</sup>	90%	This Service level does not apply where an invalid fault report has been submitted

<sup>3</sup> Commission's notice refers to this as "Confirmation of completion".

<sup>4</sup> If a fault is logged outside Fault Restoration Hours, for the purposes of this Service Level, the report will be deemed to have been received from 7.00am the following day.

Item No.	Level A/ Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
11.	Level B	Notification of expected restoration time	Telecom will provide notification of the expected restoration time	Provide notification of the expected restoration time within 8 Fault Restoration Hours of the fault being reported <sup>5</sup>	90%	This Service Level does not apply in the event of an emergency
12.	Level A	Meet notified expected restoration time	Telecom will restore the fault within the expected restoration time	Restore fault within notified expected restoration time	90%	
13.	Level B	Availability of Escort	Telecom will make an Escort available during BAU	Telecom will make available during BAU an Escort within 2 Consecutive Working Days of request	80%	This Service Level does not apply in the event of an emergency

**Telecom Forecasting for Co-location Service**

Item No.	Level A/ Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
14.	Level B	Cabinetisation Forecast	Telecom will provide the Access Seeker with a written rolling 3-year Cabinetisation Forecast every 6 months	Within 10 Working Days of each 6 month anniversary of the Determination Date, Telecom will provide a written rolling 3-year forecast report	90%	

<sup>5</sup> The expected restoration time will be provided in accordance with Telecom's fault prioritisation systems.

## Appendix 2

### Operational Support System SLAs for Co-location

Item No.	Level A/ Level B	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
15.	Level B	Availability of OO&T	Telecom will make OO&T available to the Access Seeker	OO&T is available to the Access Seeker 24 hours a day, 7 days a week.	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.
16.	Level B	Availability of OFM	Telecom will make OFM available to the Access Seeker	OFM is available to the Access Seeker 24 hours a day, 7 days a week	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.

#### Notes:

##### Where availability measured

In respect of Items 14 and 15, availability is measured from the point at which the public internet meets the OO&T or the OFM (as the case may be).

##### Permitted Maintenance

The OO&T and OFM systems may be taken out of service for routine maintenance, testing, configuration changes, software upgrades or updating facilities. Telecom will, where practicable, carry out such work between 10:00pm and 7:00am. In such cases, Telecom shall advise Access Seekers not less than 5 Working Days prior to the event.

Telecom may, at such other times as Telecom considers reasonably necessary, take the OO&T and OFM systems out of service, taking into account the need to minimise any disruption caused to the Access Seekers. Telecom will advise of such outages not less than 10 Working Days prior to the planned event.

##### Unplanned Outages

If the OO&T or OFM systems must be taken out of service to resolve a fault affecting the system, where reasonably practicable, Telecom shall give notice to the Access Seeker of any such unscheduled outages and the Access Seeker will be kept regularly updated regarding the resolution of the fault.

## Appendix 3

### Performance Penalties

Item No.	Level A / Level B	Service Attribute	Deliverable	Tolerance Level	Performance Penalty
2	Level A	Full site audit	Telecom to complete full site audit	90%	<p>The Performance Penalty is to be calculated on a per calendar month basis in accordance with the following formula:</p> <p>Performance Penalty = A x B</p> <p>Where:</p> <p>A = 7% of the average (mean) Charge for all full site audit exceeding 10 Working Days in the calendar month.</p> <p>B = the number of instances during the calendar month where Telecom's performance fell below the specified Tolerance Level.</p>
6	Level A	Telecom will complete the Telecom Build within the time specified in the Firm Order and in accordance with the Quote and Telecom Build terms	Complete the Telecom Build within the time specified in the Firm Order and in accordance with the Quote and Telecom Build terms	100%	<p>The Performance Penalty is to be calculated on a per calendar month basis in accordance with the following formula:</p> <p>Performance Penalty = A x B</p> <p>Where:</p> <p>A = [(\$1.85 x Average (mean) number of Access Seeker End Users at default Build completion) x number of Working Days in the calendar month that Telecom Builds exceeded the Firm Order date] ÷ number of Telecom Builds in the calendar month exceeding the Firm Order date.</p> <p>B = the number of Telecom Builds in the calendar month where Telecom's performance fell below the specified Tolerance Level.</p>
12	Level A	Meet notified expected restoration time	Telecom will restore the fault within the expected restoration time	90%	<p>The Performance Penalty is to be calculated on a per calendar month basis in accordance with the following formula:</p> <p>Performance Penalty = A x B</p>

					<p>Where:</p> <p>A = 7% of the monthly Charge to co-locate at the affected exchange.<sup>6</sup></p> <p>B = the number of instances during the calendar month where Telecom's performance fell below the specified Tolerance Level</p>
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**Notes:**

**Performance Penalty Example – Full Site Audit (SLA 2)**

Access Seeker requests 10 full site audits during the calendar month. Telecom defaults on 3 of these audits, but due to the tolerance level (90%) will only be penalised for 2 of these defaults. The performance penalty will be calculated as follows:

Full Site Audit #1 = \$2,000, Full Site Audit #2 = \$3,000, Full Site Audit #3 = \$4,000

$A = 7\% \times [(2,000 + 3,000 + 4,000) \div 3] = \$210$ , B = 2

Performance Penalty =  $\$210 \times 2 = \$420$

**Performance Penalty Example – Telecom Build (SLA 6)**

Access Seeker requests 10 Telecom Builds during the calendar month. Telecom defaults on 3 of these Builds, but due to the tolerance level (90%) will only be penalised for 2 of these defaults. The performance penalty will be calculated as follows:

Build #1 = 2 Working Days overdue and 500 End Users, Build #2 = 3 Working Days overdue and 1,000 End Users, Build #3 = 4 Working Days overdue and 100 End Users

$A = [\$1.85 \times [(500 + 1,000 + 100) \div 3]] \times [(2 + 3 + 4) \div 3] = \$2,960$ , B = 2

Performance Penalty =  $\$2,960 \times 2 = \$5,920$

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<sup>6</sup> Service Components 2.1-2.3 as set out in the Co-location Price List.