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SM-14-010 Terms and Conditions for Cloud Services

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PURPOSE

This standard offers a list of important components for an agency to consider inserting in a service agreement for cloud services. By no means does this list cover all situations that may be included in a service agreement; but those listed here are often overlooked by State agencies.

Note that non-negotiable service agreements in which terms of service are prescribed completely by the cloud provider are generally the norm in public cloud computing, but negotiated service agreements are possible, especially where a measure of customization is to be performed on the cloud service for the state agency CUSTOMER. In addition, a particular term or condition may not be worth pursuing when data involved is considered to be of LOW security characterization and there is little loss to the state if the application fails. In situations involving data impacts of MODERATE or HIGH, specific terms take on much more meaning and the Service Provider should be contractually bound (or reminded) of its shared responsibility from a statutory and regulatory standpoint.

Contractual goals (high level statements of intent for actual service agreement language) offered here are not to be considered legal advice offered by GTA, but points to be discussed within the ad hoc group of stakeholders with a final service agreement subject to the agency's legal counsel and signing authority.

Language included in a service agreement may represent some sort of managerial control desired by the agency as a protection of data, from cost escalation or from some form of loss. As with any managerial control, an agency should evaluate the cost/benefit of a proposed provision to determine if it should consider absorbing the risk that the control is designed to mitigate. Please reference the following enterprise standards:

- 1) For requirements to include specific terms and conditions in cloud service agreements ? SA-14-003 ?Requirements to Use Cloud Services?, and
- 2) For requirements guiding determination of data impact levels - SS-08-014 ?Data Categorization ? Impact Level?.

For ease of discussion, there are six categories of terms and conditions for service agreements between state agencies and service providers for cloud services, as follows:

- Ownership of Data and Responsibilities of Parties
- Notifications
- Audits and Reviews
- SP Staffing and Strategic Business Partners
- Operations, and
- Suspension and Termination

Stated under each category are goals for service agreement language and a brief discussion of the goals. Also included for each goal is a matrix that guides implementation of the goal according to the security categorization of the data and service.