

SCHEDULE A
FRAMEWORK AGREEMENT SPECIFICATION

Overview

Participating Organisations may utilise salary sacrifice schemes to help motivate and engage employees and demonstrate the value that the Participating Organisation places on them.

The Framework Agreement will provide the means for public sector employers, described herein as “Participating Organisations” to offer lease car salary sacrifice schemes to their employees. The service offering should provide value for money and enable employees to choose cars from a range of manufacturers, across a range of car categories.

Salary sacrifice schemes offered under the terms of the Framework Agreement will provide employees with the means to obtain the car of their choice, to their desired specification (subject to any CO₂ emissions limit set by individual Participating Organisations as described below), at a competitive price with affordable payments typically over a period of up to 36 months that are paid directly from their monthly salary.

Salary sacrifice schemes offered under the terms of the Framework Agreement will offer a range of financial (where permitted) and non-financial benefits to employees accessing individual salary sacrifice schemes and to Participating Organisations offering individual salary sacrifice schemes to their employees.

Salary sacrifice schemes offered under the terms of the Framework Agreement will be easy for employees to enter and for employers to administer with a high degree of self-service using a state of the art online portal developed specifically for salary sacrifice type services that is simple and intuitive to use for employees and for the Administration, Human Resources, Finance and any other authorised departmental users in Participating Organisations. The online portal should have Single Sign On (SSO) capability that is compatible with a range of employee benefit providers.

Prerequisites

The highest standards of data security and data management will be maintained at all times to ensure the privacy and security of employees and of Participating Organisations.

The online portal must be secure and encrypted and require user authentication to gain access to secure areas of the site.

The system must be hosted and managed in a secure environment.

The Supplier must have the means to maintain the privacy and security of data belonging to employees who enrol on to the salary sacrifice scheme.

The Supplier must have the means to maintain the privacy and security of data belonging to Participating Organisations offering the salary sacrifice scheme to their employees.

Data transfer must use encryption to at least AES 256-Bit encryption standard to ensure that data is protected.

The Supplier must be certified for their Information System Security management system to IS EN ISO 27001:2013 or equivalent as a minimum.

The Supplier must be able to provide, on request, the results of a recent comprehensive remote security assessment and penetration test (Pen test), demonstrating their system resistance to attack.

The website must meet the World Wide Web Consortium (W3C) WCAG 2.0 AA standard and be compatible with all commonly used browsers, including but not limited to Edge, Internet Explorer, Chrome, Safari, Firefox and Opera.

The Supplier must carry out a proactive development and support programme to maintain the security of its IT systems in the face of evolving threats and to ensure maximum availability of the online portal to users.

The Supplier's service offering must be fully compliant with all applicable legislation and any amendments thereto and any superseding legislation enacted during the term of the proposed Framework Agreement including but not limited to:

- all legislation related to salary sacrifice and Optional Remuneration Arrangements (OPRA) including but not restricted to updated regulations relating to OPRA announced in the Finance Bill 2017. The Supplier must be able to provide, on request, evidence of HMRC approval for at least one salary sacrifice scheme operated by the Supplier under the same service model proposed in their tender;
- all relevant parts of the Data Protection Act 1998. The Supplier must be registered with the Information Commissioners Office as a Data Controller. The Supplier must be prepared for implementation of the General Data Protection Regulations which are expected to come into effect during the life of the proposed Framework Agreement;
- all relevant parts of the Consumer Rights Act 2015;
- all relevant parts of the Income Tax (Earnings & Pensions) Act 2003.

The Supplier's service offering must include systems to prevent possible breaches of National Minimum Wage and National Living Wage legislation caused by use of a salary sacrifice scheme.

The Framework Agreement aims to minimise the administrative burden on Participating Organisations of offering salary sacrifice schemes to employees. Therefore, the Supplier will be directly responsible for the validity and compliance of salary sacrifice schemes operated under this Framework Agreement. The Supplier must have the capability to manage this responsibility.

Choice of vehicles

The salary sacrifice scheme will include a wide range of available cars from a range of manufacturers, including ultra-low emission (ULEV), small, medium, large, sports utility (SUV)/crossover and executive cars.

All cars must be to UK standards and specification. There must be no “grey market” or parallel import cars offered through the Framework Agreement.

Participating Organisations will be able to set limits on the range of cars available to their employees and the Supplier must have the means to set limits that are tailored to each Participating Organisation’s requirements. Limits will be aligned with the CO₂ emissions of cars. For example, a Participating Organisation may decide to limit the range of cars available to its employees to those with CO₂ emissions below 120g/km. For the avoidance of doubt the CO₂ emissions levels for each car will be as shown from time to time on the UK Government Vehicle Certification Agency website <http://carfueldata.dft.gov.uk/>

The salary sacrifice scheme must include, within the single salary sacrifice payment, a fully comprehensive support package for employees, including but not limited to, service, repair and maintenance of their car, Vehicle Excise Duty (VED), fully comprehensive insurance (including insurance for other named drivers), breakdown recovery, replacement tyres, windscreen and glass repair, and employee pay protection for life events such as maternity, paternity or adoption leave or long term sickness absence during the period of a salary sacrifice lease where reduction to pay takes the employee below the statutory minimum level of pay applicable.

The salary sacrifice scheme must include any applicable manufacturer and/or supplier warranties and/or accreditations relating to cars available through salary sacrifice schemes.

Ordering, usership and end of lease processes for employees

All processes for ordering, usership and end of lease should be clear and easy to follow and should be designed to encourage employees to renew under the salary sacrifice scheme.

The Supplier will provide a step-by-step guide for all employees choosing a car through the salary sacrifice scheme.

The Supplier will provide a range of resources to assist and guide employees through the selection and usership of their car, including help in selecting the best car for an individual’s needs. These resources will be available online and configured to be easily read on computers, tablets and mobile devices.

The salary sacrifice scheme will be accessible to the widest possible range of employees, including but not restricted to employees with disabilities. As such, the option for employees to select vehicle modifications will be included in the salary sacrifice scheme. Any vehicle modification costs for employees with disabilities will be included into the single salary sacrifice payment.

Employees should be able to see directly and in advance of their formal request for a quotation whether their choice of vehicle will take their salary below the National Minimum Wage or the National Living Wage, as appropriate. Employees should be able to input relevant information to the online portal to enable calculation of salary impact.

Notwithstanding the clause above, the Supplier will offer inclusivity for all staff groups including those potentially impacted by the National Minimum Wage and the National Living Wage.

The Supplier will have the means to accommodate different income tax and National Insurance bands and manage any transition to a lower band following a salary sacrifice while maintaining full compliance with applicable law and regulations.

The Supplier will have the means to accommodate employee membership of an employer pension scheme and manage any changes to pension contribution arising from any transition to a lower level following a salary sacrifice.

The Supplier will use its best endeavours to ensure the availability of cars to meet orders and must have robust systems and processes to manage any delays to delivery. The Supplier will ensure that employees are kept informed of the progress of their order.

The Supplier will manage any delivery issues directly with employees.

The Supplier will ensure that each employee receives all documentation appropriate and relevant to their car and lease agreement at or before the time of delivery.

The Supplier will have systems and processes to ensure that usership of the car is made as simple as possible for the employee. In particular, processes to book services and maintenance and to notify breakdowns should be easy to access and use.

The Supplier will offer a high level of driver support throughout the period of a car lease taken out under the salary sacrifice scheme. This will include service interval reminders.

The Supplier will have systems and processes that allow employees to amend their mileage allowance during a salary sacrifice lease contract. These systems and processes will be clear and easy to follow for employees. Any potential cost or benefit implications arising from amendments to mileage allowance must be clearly visible to employees and presented in a way that is easy to understand and made available in advance of any requirement by the employee to commit to a change.

A dedicated point of contact for order queries, delivery problems and service advice will be available for the duration of the Framework Agreement and for any Participating Organisation Contract and for any employee lease contract called off from the Framework Agreement whose end date is after the expiry of the Framework Agreement.

The Supplier will provide an online live chat facility for drivers.

The Supplier will provide comprehensive, clear and easy to understand information for employees for each quote and each order, describing potential savings, all costs and any pension implications relating to the salary sacrifice scheme.

The Supplier will provide additional products and services through the employee portal that enhance both the employee experience and potential employee benefits.

The salary sacrifice scheme offering must be capable of providing savings to employees through the salary sacrifice scheme.

Any potential savings through reduced tax, employee NI contributions or employee pension contributions must be clearly visible to employees and presented in a way that is easy to understand.

Any costs to the employee of Benefit In Kind (BIK) charges must be clearly visible to employees and presented in a way that is easy to understand.

Any potential implications relating to areas including working tax credit, child tax credit, child maintenance payments, student loan repayments, mortgages and Universal Credit resulting from an employee's participation in the salary sacrifice scheme must be clearly visible to employees and presented in a way that is easy to understand.

Any potential implications for pension entitlement resulting from an employee's participation in the salary sacrifice scheme must be clearly visible to employees and presented in a way that is easy to understand.

Any potential costs relating to the supply of charging equipment for electric or hybrid cars must be clearly visible to employees and presented in a way that is easy to understand. For the avoidance of doubt, costs in this clause do not relate to the costs of domestic electricity supply.

Notwithstanding the above, all costs associated with cars available through the salary sacrifice scheme must be clearly visible to employees and presented in a way that is easy to understand and made available in advance of any requirement by the employee to commit to a lease agreement. There must be no "hidden" costs for employees.

The salary sacrifice scheme should be attractive to employees to enable a successful take up and to promote renewals at the end of individual employee lease agreements.

Any tax implications if an employee wishes to retain a car at the end of the employee lease agreement must be clearly visible to employees and presented in a way that is easy to understand.

Any transfer of ownership arrangements must be clearly visible to employees and presented in a way that is easy to understand. The Supplier must maintain a full audit trail to ensure compliance with all applicable law and regulations.

The Supplier will provide to employees any applicable "no claims" evidence at the end of the employee's lease agreement.

Notwithstanding the above, all end of scheme arrangements must be clearly visible to employees and presented in a way that is easy to understand. All appropriate end of scheme information will be provided to employees at the same time as their formal quotation.

Scheme management for employers

The Supplier will provide an efficient service to Participating Organisations which allows employees to obtain new cars via a payroll reduction mechanism delivering employer savings. The service offering must provide best value for money for the employees and the Participating Organisations.

The Supplier will offer expert advice and support to Participating Organisations on the application of salary sacrifice schemes, the legal framework underpinning Optional Remuneration Arrangements and compliance with legislation and guidance and other areas specific to the operation of contracts called off under this Framework Agreement.

The successful Supplier should be capable of providing expert advice to Participating Organisations on contingencies to minimise the risk of non-payment by employees. Non-payment may arise due to employees leaving the Participating Organisation before the end of an employee agreement (where the successful Supplier should be able to advise on the application of TUPE legislation) or through circumstances such as long-term sickness, maternity leave or being absent without leave.

The Supplier will provide consolidated invoices to Participating Organisations. Benefit In Kind information should be included in invoices.

The Supplier should offer a choice of payment methods for Participating Organisations, such as upfront payment or financed payment. The processes for operating each payment method should be clear and easy to follow for Participating Organisations. The advantages and disadvantages of each method for Participating Organisations must be clearly visible. Any costs to implement a payment method must be clearly visible to Participating Organisations - there must be no "hidden" costs for a Participating Organisation. Any other financial risk applicable to payment methods of which a Participating Organisation should be aware must be clearly visible to Participating Organisations.

Finance protection from the start of each lease contract (that is, with no lead-in period), covering the duration of each lease contract, will be made available for Participating Organisations. Any costs to implement finance protection must be clearly visible to Participating Organisations - there must be no "hidden" costs for a Participating Organisation.

The Supplier will offer the means for Participating Organisations to mitigate the risks of liability for excess mileage charges or the cost of unfair wear and tear damage.

Any potential savings through reduced tax, employee NI contributions or employee pension contributions must be clearly visible to Participating Organisations and presented in a way that is easy to understand.

Any costs to the employee of Benefit In Kind (BIK) charges must be clearly visible to Participating Organisations and presented in a way that is easy to understand.

Any potential implications relating to areas including working tax credit, child tax credit, child maintenance payments, student loan repayments, mortgages and Universal Credit resulting from an employee's participation in the salary sacrifice scheme must be clearly visible to Participating Organisations and presented in a way that is easy to understand.

Any potential implications for pension entitlement resulting from an employee's participation in the salary sacrifice scheme must be clearly visible to Participating Organisations and presented in a way that is easy to understand.

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Notwithstanding the above, all costs associated with cars available through the salary sacrifice scheme must be clearly visible to Participating Organisations and presented in a way that is easy to understand and made available in advance of any requirement by the employee to commit to a lease agreement. There must be no “hidden” costs.

The Supplier’s Master Hire Agreement applicable to the salary sacrifice scheme should be structured in such a way as to allow employees to maintain their lease car during and following transfer of the employee to another Participating Organisation where this is agreed by the Participating Organisations. The Supplier will offer passporting guidance and support to Participating Organisations where employees wish to maintain their lease car during and following transfer of the employee to another Participating Organisation.

The Supplier will offer a variety of scheme structures to Participating Organisations to suit their requirements. Options may include:

- Set the rates as ‘employer neutral’ and pass all the savings onto the drivers as a benefit to the employee.
- Allocate some of the savings to the Participating Organisation and allow the Participating Organisation to recoup some of this money from the employee.
- Set the drivers’ salary sacrifice as the same amount as the monthly rental for their chosen vehicle. The employees will still enjoy savings, and a proportion of these are passed to the Participating Organisation.

The Supplier will have a robust process, available to all Participating Organisations, that clearly shows the activities required of each party when an employee chooses to use the salary sacrifice scheme, covering each stage between the selection of a car by an employee to the end of each employee lease agreement. Stages may include order taking, quotation, authorisation, delivery and return. The following list is not exhaustive but the process should include:

- the information that is required from an employee to place an order
- the authorisation process
- the point at which employees receive their car
- whether the car will be delivered to the place of work or to the employee’s home address (or other address of the employee’s choice)
- the process at the end of each employee lease agreement

The process must make reference to all parties involved, including any employer resources required, and to HMRC if appropriate. The process must show where contracts will be formed between the different parties, clearly describing the parties to each contract.

The Supplier’s Master Hire Agreement applicable to the salary sacrifice scheme will accommodate variations to employer pricing in the event of legislation or statutory events that create incremental costs (examples of events may include but not be restricted to changes to VAT rates, changes to insurance premium tax or significant increases in VED). It is expected that minor changes to costs will be absorbed without affecting employer pricing.

Employee orders will be subject to validation and authorisation by authorised representatives of the Participating Organisation. The Supplier should include provision for multi-level order validation and authorisation by the Participating Organisation (e.g. separate authorisation from Human Resources and Payroll functions).

The online portal must have the means to enable secure access to the portal for relevant Administration, Human Resources, Finance and any other authorised departmental users in Participating Organisations to authorise and approve orders and review scheme management information.

The online portal must not allow unauthorised access to personal information.

Participating Organisations will have the ability to set automatic caps on the level of expenditure allowed for their employees who use the salary sacrifice scheme.

Any transfer of ownership arrangements must be clearly visible to Participating Organisations and presented in a way that is easy to understand. The successful Supplier must maintain a full audit trail to ensure HMRC compliance.

The successful Supplier must provide details to Participating Organisations regarding the VAT treatment relating to the initial supply of cars (including any reverse charging requirement) as well as relating to the OPRA agreement itself.

The successful Supplier must provide details to Participating Organisations regarding the Benefit in Kind (BIK) treatment applicable to all cars supplied and how the BIK processes are to be administered including any issues relating to P11d submissions. The successful Supplier must notify HMRC of the BIK charge to the employee within 3 months of the employee taking delivery of the car.

Notwithstanding the above, all end of scheme arrangements must be clearly visible to Participating Organisations and presented in a way that is easy to understand.

The Supplier will provide Management Information reports on the salary sacrifice scheme to Participating Organisations. Reports will be provided on a schedule to be agreed with each Participating Organisation. Reports must be available in electronic format.

Management Information reports should include but not be restricted to:

- Salary sacrifice reports, showing all products purchased during the report period.
- Benefit-in-Kind reports

Implementation and marketing

The successful Supplier must provide a dedicated Account Manager with an appropriate level of expertise and experience to provide advice and guidance to Participating Organisations on the salary sacrifice scheme.

The successful Supplier must provide a robust implementation process for on-boarding Participating Organisations to the salary sacrifice scheme.

The Supplier will provide an implementation plan for each Participating Organisation entering the salary sacrifice scheme. The implementation plan should include such things as indicative timescales, the level of support needed, system integration abilities and method of

implementation (onsite/offsite resource). This list is not exhaustive and individual implementation plans must be agreed with Participating Organisations.

Salary sacrifice scheme eligibility criteria must be agreed with Participating Organisations before implementation.

Copy approval from the Participating Organisation will be required for any and all promotional materials and employee document templates (and any proposed amendments to promotional materials and templates) associated with that organisation's salary sacrifice scheme(s) in advance of publication, such approval not to be unreasonably withheld.

The Supplier will advertise and promote the salary sacrifice scheme to employees of Participating Organisations that have entered into a Call Off Contract for a salary sacrifice scheme to maximise and sustain potential employee uptake.

The Supplier will take steps to ensure that their salary sacrifice scheme remains attractive to Participating Organisations and employees of Participating Organisations over the period of the Framework Agreement.

The Supplier must have a customer service department to enable employees to discuss or query the salary sacrifice scheme. Customer service must be available online and offline for the full duration of any Participating Organisation Contract and/or employee lease contract that survives the expiry of the Framework Agreement.

The Supplier will market the salary sacrifice scheme and the Framework Agreement across all potential Participating Organisations to maximise and sustain potential Framework Agreement uptake.

The Supplier will record, monitor and report to the Framework Manager on the success of its marketing and its salary sacrifice schemes called off under this Framework Agreement.

The Supplier will record, monitor and report to the relevant Participating Organisation on the success of its marketing and each Participating Organisation's salary sacrifice scheme called off under this Framework Agreement.