

SCHEDULE 2 - SPECIFICATION / STATEMENT OF REQUIREMENTS

1.1 STATEMENT OF REQUIREMENTS

1.1.1 OVERVIEW

The purpose of this Common Use Arrangement (**CUA**) is to access the services of suitably qualified and experienced Contractors to provide a 'bureau service' for salary packaging services to assist public authorities, employees and other approved users to implement and maintain a salary packaging system.

An estimated 40,000 State Public Authority employees currently salary package approximately \$587 million per annum (including \$9.5 million in administration fees). There are currently a total of five Contractors supplying salary packaging services to the Western Australian Government.

The desired outcomes of this CUA are:

- (a) A consistent approach to salary-packaging services for employees in State Public Authorities;
- (b) Continuing competition with choice of service providers; and
- (c) Reduced transition costs and services at minimal direct costs to State Public Authorities.

Contractors will be sourced from the panel on a 'Pick and Buy' basis and in compliance with State Supply Commission policies as updated from time to time. The current State Supply Commission policy for CUAs states that where a CUA has been established, a public authority must purchase under it in accordance with the relevant Buyers' Guide, except where and to the extent that an authorised officer of the Department of Finance, Government Procurement, approves alternative arrangements.

Salary packaging services in State Public Authorities are governed by the Government's Guidelines for Salary Packaging (see [Department of Commerce Circular](#) No. 4 of 2012 – Guidelines for Salary Packaging).

Schedule 16, Attachment D provides a list of defined terms that are specific to this Request CUA SPS2017 and supplements those terms found in the General Conditions.

1.1.2 APPROVED USERS

Contractors will be sourced from the panel on an 'as required basis', from the following approved CUA users:

- (a) Public authorities (a department of the Public Service of the State or an agency, authority or instrumentality of the Crown in right of the State) under the Commission's jurisdiction;
- (b) approved Government entities not under the Commission's jurisdiction;

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- (c) approved Public Benevolent Institutions (PBIs); and
- (d) other bodies approved by Finance such as Local Government and Universities.

Contractors, whilst on the panel, are encouraged to promote their services to all approved users.

1.1.3 SALARY PACKAGING SERVICES

The Bureau Service(s) offered under this CUA will include, but not be limited to, accepting salary packages for the following:

Government agencies

- (a) Items that are Concessionally Treated and/or Exempt Benefits.
 - i. Childcare (Employer provided only);
 - ii. Employee Superannuation [to Government Employee Superannuation Board (GESB) or a GESB approved Fund or a Private Superannuation Fund];
 - iii. Motor Vehicles (for private use) by way of novated lease;
 - iv. Remote Area Fuel (electricity, gas etc);
 - v. Remote Area Holiday Transport;
 - vi. Remote Area Home Purchase;
 - vii. Remote Area Mortgage Interest;
 - viii. Remote Area Rent (Employee leased accommodation);
 - ix. Remote Area Rent (Employer owned / leased accommodation); and
 - x. Other approved items.
- (b) Items that are Otherwise Tax Deductible Benefits.
 - i. Airport Lounge memberships;
 - ii. Business Equipment Purchase/Lease;
 - iii. Financial Counselling (e.g. for salary packaging);
 - iv. Financial Products (e.g. disability insurance and income protection);
 - v. Home Office Expenses;
 - vi. Investment Loan Interest;
 - vii. Laptop or Notebook Computers, Tablets or Personal Digital Assistants (PDAs);
 - viii. Living Away from Home Allowance;
 - ix. Mobile Phones (for business use);
 - x. Professional Memberships or Subscriptions;
 - xi. Relocation Benefits;
 - xii. Self Education Expenses;
 - xiii. Uniforms;

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- xiv. Work related travel expenses; and
- xv. Other approved items.

Public Benevolent Institutions, Rebatable Organisations & approved users (including Health)

- (a) Items that are Concessionally Treated and/or Exempt Benefits;
 - i. Aged Care;
 - ii. Child Care - off site;
 - iii. Contributions to Private Superannuation Fund or to Government Employees Super Schemes;
 - iv. Disabled Care;
 - v. Entertainment benefits and Venue Hire;
 - vi. Living expenses (not subject to GST);
 - vii. Living expenses (subject to GST);
 - viii. Medical and dental expenses;
 - ix. Motor Vehicle (for private use) by way of Novated lease;
 - x. Motor Vehicle Costs;
 - xi. Own Home Mortgage Payments;
 - xii. Personal Loan;
 - xiii. Private Health Insurance Premiums;
 - xiv. Private Home Rental;
 - xv. School Fees (including Higher Education Contribution Scheme (HECS));
 - xvi. Trauma/Life Insurance Premiums (excluding investment linked plans);
 - xvii. Utilities; and
 - xviii. Other approved items.

- (b) Items that are Otherwise Tax Deductible Benefits, including but not limited to;
 - i. Membership Fees and Subscriptions to Professional Associations;
 - ii. Home Office Expenses;
 - iii. Financial Counselling (e.g. for salary packaging);
 - iv. Self Education Expenses;
 - v. Child Disability/income, Protection Insurance Premiums;
 - vi. Child Care Fees - in house (Employer provided);
 - vii. Work Related Travel Expenses;
 - viii. Mobile Phones for Predominantly Business use (incidental private use);
 - ix. Lap Top or Notebook Computers or Personal Digital Assistants (PDAs); and
 - x. Other approved items.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

The above items available for salary packaging are based on current legislation and may be updated from time to time in accordance with legislative changes. The Contractor shall advise the Customer as required on the items allowed to be salary packaged.

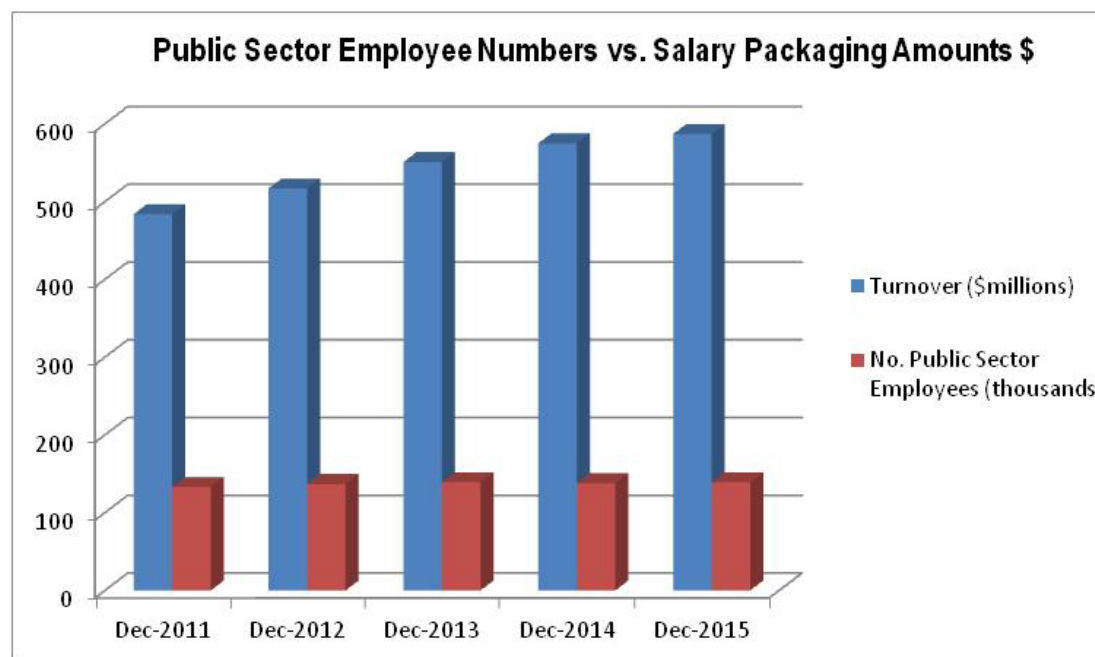
The Contractor shall ensure that any payments for benefit items are made in accordance with ATO requirements for all approved users of this CUA.

1.1.4 ESTIMATED GOVERNMENT TURNOVER

Since the current CUA20505 commenced in May 2007, the total throughput has been steadily increasing. This has grown over the past five calendar years with annual throughput equating to:

- \$484 million in 2011;
- \$517 million in 2012;
- \$551 million in 2013;
- \$575 million in 2014; and
- estimated \$587 million in 2015.

The following graph indicates the number of employees employed in the WA Public Sector and the dollar amount salary packaged under the current CUA20505.



1.1.5 CHANGES TO LEGISLATION

Should new legislation be proclaimed or come into force during the currency of any Customer Contract that effects the operations of any Customer Contract, then negotiations may take place between the parties to effect any agreed adjustments. If any future legislative changes are enacted during the contract term that are relevant to the Customer Contract and Head Agreement

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

then the changes would need to be complied with at the Contractor's own expense.

1.1.6 CONTRACT MANAGEMENT AND SALES REPORTING

The Contract Authority shall undertake a Contract Management role in relation to this CUA.

Within 14 days of the end of each month, the Contractor shall provide the information, including but not limited to the following:

- (a) Number of users per agency utilising the services of the Contractor and the (\$) turnover per user (including FBT deductions) for the period and any other such information as required as per Report A, Schedule 16, Attachment A;
- (b) Breakdown by Items Packaged by Employees as in Report B, Schedule 16, Attachment A;
- (c) Disputes between the Contractor and any Customer or Employee that has not been resolved and/or settled within seven (7) days; and
- (d) Performance reporting as per Schedule 16, Attachment B for Communication Requirements, Operational Processing and FBT Processing.

Contractors will be required to provide this information to the Contract Authority in an electronic format.

Contractors are advised that the above information together with Customer surveys issued by the Contract Authority will assist in determining the ongoing viability of this CUA.

Contractors are expected to adapt and add reports to meet the changing and increasing demand for management information.

1.1.7 BANK ACCOUNT

- (a) The Contractor in its capacity as a 'bureau service' provider shall provide, maintain and operate Bank Account(s) (also refer to Schedule 2, Section 1.2.3.6) for the purpose of:
 - i. Carrying on the business and providing the services in respect of Salary Packaging Arrangements for and on behalf of the employees separately from the Contractor's own Bank Account(s) and/or any other Bank Account(s) maintained and operated by the Contractor; and
 - ii. Holding such amount as may be required or necessary with regard to any taxation or FBT liability.

The Bank Account in this Clause 1.1.7 (a) must be a trust account.

- (b) The Contractor in its capacity shall:
 - i. issue the Customer with; and
 - ii. authorise the Bank to grant to the Customer

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

unrestricted drawing rights to the bank Account (unless prohibited by law) and this clause shall survive this CUA and any Customer Contract.

- (c) The Contractor shall authorise the Bank to provide the Customer with such facilities (including cheque books, Bank statements, and the authority to make inquiries in relation to the account) as are necessary to enable the Customer to perform its duties, functions and obligations with respect to Salary Packaging Arrangements.
- (d) Until all packaged amounts are distributed and/or transferred to a Recipient, the Contractor shall undertake to keep such amounts separate, readily identifiable and in a manner and style approved by the Customer and/or Contract Authority.
- (e) The Customer and the Contractor shall ensure that on the scheduled pay day for each pay period there are adequate funds in the Bank Account to enable distribution and/or transfer in accordance with and for the purpose of Salary Packaging Arrangements.
- (f) Any interest credited to the Bank Account will be applied as follows on a quarterly basis:
 - i. To the payment of any statutory fees payable in respect of the Bank Account;
 - ii. To any Bank Fees and Charges payable in respect of the Bank Account; and
 - iii. The remaining amount to be credited to the Contractor.
- (g) The Contractor shall make all distributions and/or transfers from the Bank Account that are required to be made on behalf of Employees in accordance with their Salary Packaging Arrangements, subject to sufficient funds being in the Bank Account.
- (h) The Contractor shall re-distribute and/or re-transfer to the Customer any amount held by it which is not distributed and/or transferred to the Recipient in accordance with a Salary Packaging Arrangement in respect of a particular Employee:

Upon the expiry date or termination of:

- i. A Customer Contract;
- ii. That particular Employee's:
 - Salary Packaging Agreement with the Customer; or
 - Salary Packaging Arrangement with the Contractor appointed by that particular Employee.

In any other event where a packaged amount has not been distributed and/or transferred to the Recipient in accordance with the Recipient's Salary Packaging Agreement.

1.1.8 INTERNET SECURITY

When the Services under this Common Use Arrangement and any Customer Contract require a computer system, the Contractor is required to maintain

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

the adequacy of the security of their online application system. 'Computer systems' for the purposes of this clause will include, but are not limited to, devices such as desktop computers, laptops, tablets, and mobile phones.

Adequate security should address the following:

- (a) integrity of data – security measures designed to ensure that data transmitted or stored electronically is neither accidentally nor deliberately altered, defaced or lost;
- (b) confidentiality – the characteristic of data and information being disclosed only to authorised persons, entities and processes;
- (c) authentication – security measures designed to establish the validity of a transmission, message, or originator or a means of verifying an individual's eligibility to transmit and receive specific categories of information; and
- (d) availability of service – the characteristic of data, information and information systems being accessible and usable on a timely basis in the required manner.

Technology and management control mechanisms may include but not be limited to the following:

- (a) antivirus tools;
- (b) firewalls;
- (c) back-ups;
- (d) encryption/SSL;
- (e) password controls;
- (f) business continuity plans;
- (g) electronic ID's; and
- (h) change controls.

1.1.9 AUDIT STRATEGY

The Contractor must provide to the Contract Authority, within 4 months after the end of each financial year, a certificate or certificates from an appropriate qualified auditor or auditors in favour of the Contract Authority as to:

- (a) The accuracy and completeness of its latest current financial statements including but not limited to the Operating Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and notes forming part of the financial statement and certifying that these financial statements are based on proper accounts and presented fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements; and
- (b) The accuracy, completeness and reliability of processing performed and applications used to support the delivery of services and systems including but not limited to:
 - i. Availability;

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- ii. Security;
- iii. Data integrity;
- iv. Change management; and
- v. Disaster recovery plans and procedures.

In respect of this clause 1.1.9(b) and in relation to the operations of this CUA, the Contractor shall be prepared to provide the Contract Authority a sample of working papers to justify the findings outlined within the auditor's certificate.

The Contract Authority shall have the right from time to time at its absolute discretion to monitor through its own internal auditors or any other approved auditor the performance of the Contractor and all processes used by the Contractor in the provision of Services under any Customer Contract.

1.1.10 EXPIRY AND TERMINATION OF CONTRACT – TRANSITIONING

Upon receiving notice of termination or non-renewal of this CUA and any Customer Contracts or a request for transition in / out, the Contractor shall take all reasonable steps to ensure an orderly transfer of the various contracted tasks and responsibilities to a successor. In this clause the term "Successor" shall mean the person(s) or new Contractor designated by the Contract Authority, to undertake requirements identical or similar to this in the Scope of Services, in succession to the Contractor. The Contractor's obligations in this respect shall include, but not be limited to, those set out in the remainder of this Condition:

- (a) The Contractor shall admit representatives of the Successor to relevant part of the facilities at any reasonable time in the month prior to the expiry of this CUA and all Customer Contracts and shall allow those representatives to observe services being carried out in connection with this CUA and all Customer Contracts;
- (b) The Contractor shall provide the Successor with any transition information in its possession concerning the operation of this CUA and all Customer Contracts that is reasonably requested. Such information may include details of:
 - i. The names and contact points, service providers and sub-contractors;
 - ii. Transitioning information, particularly those highlighted in Schedule 2, Section 1.2.3.24, 'Transitioning Requirements'; and
 - iii. Any service arrangements adopted in order to meet the requirements of this CUA and all Customer Contracts, however the Contractor shall not be required to disclose to the Successor any details of the Contractor's own ownership or management structure, pre-existing intellectual property, its level of profit, legal options, preferential supply arrangements, or information received in confidence from third parties.
- (c) If requested by the Contract Authority, the Contractor shall provide transition-in/transition-out Services for a period of up to sixty days after

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

this CUA and all Customer Contracts expire and shall negotiate in good faith with the Successor a plan to determine the nature and extent of transition-in/transition-out Services required. The Plan shall specify a program and date for transferring responsibilities for each division of work described in the plan, and shall be subject to approval by the Contract Authority.

The Contactor shall provide experienced personnel during the transition-in/transition-out period to ensure that Services called for by the Customer Contracts are maintained at the required level of proficiency.

1.1.11 Tax reform measures or legislative changes

Without limiting clauses 4.25 and 4.26 of Part B of the Request Provisions and General Conditions of Contract, and clauses (include Price Variation clauses in Schedule 1 of both Customer Contract and Head Agreement) where a change to Federal or State laws has resulted in an increase in the cost of delivering Services, the Contractor may submit a request to the Contract Authority for a variation to the Head Agreement. The request must include:

- i. information for the calculation of all charges that will be applicable;
- ii. any conditions attached to the Contractor's pricing information submitted; and
- iii. the formula or relevant indices that reflect the movement in the cost of supply. All charges that are subject to change (rise and fall) must be identified and the detailed method of adjustment provided.

The price will remain unchanged unless and until agreed by the Contract Authority.

1.2 SPECIFICATION

1.2.1 INTRODUCTION

1.2.1.1 Overview

In compliance with this CUA, the Contract Authority, the Customer and the Employee require the Contractor to provide the outcomes described in this Request, such as:

- (a) Compliance with relevant tax and accounting requirements for the Customer and the Employee;
- (b) A clear and effective communication strategy with regard to the establishment, administration, delivery and provision of the services in Salary Packaging Arrangements for Employees;
- (c) Transparency of all costs, benefits and obligations with regard to the establishment, administration, delivery and provision of the services in Salary Packaging Arrangements for Employees;
- (d) Streamlined administration with regard to the establishment, administration, delivery and provision of the services in Salary Packaging Arrangements for Employees with no additional administrative and recovery burden on the Customer;
- (e) Competitive pricing with regard to the establishment, administration, delivery and provision of the services in Salary Packaging Arrangements for Employees; and
- (f) Demonstrated technical, managerial and financial capability to deliver with regard to the establishment, administration, delivery and provision the services for Employees at appropriate administrative levels.

1.2.1.2 Standard of care

The Contractor must:

- (a) exercise the standard of skill, care and diligence in the performance of the Services that would be expected of an expert professional provider of the Services;
- (b) ensure that only qualified, experienced and competent personnel are engaged to perform the Services;
- (c) exercise the utmost good faith in the best interests of the requesting State Public Authority or approved Customer;
- (d) notify the Contract Manager, Department of Finance, in the event of loss of monies have been lost as soon as is reasonably possible; and
- (e) keep the Contract Manager, Department of Finance, fully and regularly informed about all matters affecting or relating to the Services.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

1.2.1.3 Management arrangements

- (a) The Contractor will be required to manage the salary packaging services both for the requesting Customer and for its Employees to include:
- i. establishing a help-desk facility (with both on-line and telephone access) during normal office hours (Monday to Friday, 8:30 a.m. to 5:00 p.m., Western Standard Time) to provide information and assistance to employees, including secure on-line access to their salary packaging records on a 24 / 7 basis;
 - ii. providing information, as required, to the requesting State Public Authority or approved Customer's payroll administrator concerning participating Employee salary packaging;
 - iii. preparing all documentation (such as an salary packaging procedures manual and/or an Employee information booklet) for approval by Finance and / or the Customer;
 - iv. incorporating Customer approval requirements in Employee salary packaging requests where required;
 - v. contributing, as reasonably required to the development of whole of WA Government strategies, to optimise the opportunities and benefits of salary packaging by its employees;
 - vi. providing regular, in-house information sessions for WA Government employees on a half-yearly basis (or more frequently by mutual agreement with the requesting State Public Authority or approved Customer) on the use and benefits of salary packaging;
 - vii. resolving day-to-day problems and issues as they arise and developing an escalation plan (for approval by Finance and / or Customer) for the resolution of more complex matters, or matters which have not been resolved within five business days; and
 - viii. implementing and maintaining financial risk management and fraud control measures appropriate to the protection of all funds sourced from the requesting State Public Authority or approved Customer and its Employees' bank account.
- (b) The Contractor will be required to provide routinely to the:
- i. Finance Contact Manager; and
 - ii. Relevant requesting Customer or approved Customer's staff member
- reports in relation to fringe benefits tax (FBT), goods and services tax (GST), tax credits and other related financial management matters.
- (c) The Contractor will be required to maintain an accounting / recording system to facilitate detailed reporting on all salary packaging transactions to the Customer, and to its participating employees. The system must fully comply with Australian Accounting Standards and Australian Taxation Office (ATO) requirements.
- (d) The Contractor will be required to report on the status of all salary packaging services in agreed formats for all salary packaging funds

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

under management, as reasonably required, to participating employees and to the requesting Contract Authority or Customer.

1.2.2 MAJOR PROCESSES

A summary of the major processes of Salary Packaging is as follows:

- (a) The Employee to select Packaged Benefits or Items in respect of their Salary Packaging Arrangement;
- (b) The Employee to obtain independent financial advice;
- (c) Where required, the Employee must provide the Contractor with a copy of the Customer approval to enter into a salary packaging agreement;
- (d) Where appropriate, the Employee to select a Contractor (see Schedule 6, Buying Rules);
- (e) The Contractor to confirm the Employee's Salary Packaging Arrangement details and notify the Customer of:
 - i. payroll deductions in respect of the packaged amount(s);
 - ii. the estimated FBT liability on commencement or adjustment of salary packaging;
- (f) The Contractor to commence and continue the performance of administrative duties, functions and obligations with regard to the carrying on of the business and the provision of services including the distribution and/or transfer associated with Salary Packaging Arrangements;
- (g) The Customer to remit packaged amounts to the Contractor in each payroll period;
- (h) The Contractor to prepare reconciliations and advices to the Customer of FBT and GST liabilities incurred;
- (i) The Contractor shall be responsible for advising the Employee(s) of any FBT shortfall and shall negotiate directly with the Employee(s) for an agreed repayment schedule. The Contractor shall advise the Customer of the agreed amount to be deducted from future payroll earnings;

In the event reasonable attempts to recover directly from the Employee are unsuccessful, the Contractor shall liaise with the Customer to recover the shortfall from the future payroll earnings of the Employee or other means;
- (j) The Customer to make FBT payments to Australian Tax Office; and
- (k) The Contractor to provide appropriate reporting to Employees, Customer and the Contract Authority.

1.2.3 SERVICES

1.2.3.1 Role of the Contractor

The role of the Contractor is to provide services to the Employee with regard to the establishment, administration, delivery and the carrying on of the

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

business and provision of the services in relation to Salary packaging agreements at no cost to the Customer.

1.2.3.2 The Communication Strategy

The Customer may require the Contractor to communicate detailed information on the provision of the services to Employees. The Contractor may be required to prepare a communication strategy, which:

- (a) Must be given prior written approval; and
- (b) May at any time be monitored by the Contract Authority or its representative.

The communication strategy shall include the following processes:

- (a) The development and production of a manual in respect of Salary Packaging Arrangements that supports the implementation and ongoing operation of the Salary Packaging Agreements;
- (b) The provision and distribution to Employees of start up kits and information booklets to assist Employees to clearly understand the Salary Packaging Arrangements and the services provided by the Contractor; and
- (c) The effective communication and distribution of information to all Employees. This may take the form of:
 - i. presentations/information seminars covering groups of people and including production and distribution of videos and/or teleconferencing for smaller remote groups;
 - ii. the establishment of a web site accessible to all Employees. The web site will include all relevant information, a Salary Packaging Arrangements simulator and communication access to the Contractor;
 - iii. an enquiries hotline for the assistance of employees; and
 - iv. dissemination of new and updated information relating to the Salary Packaging Arrangements via written bulletins, web site information pages and modification to start up kits and information booklets, including a process to ensure information is updated as required and is available to new Employees.

The online services provided by the Contractor must be accessible to all Employees and will include the following features:

- (a) General information on the Contractor's services;
- (b) Specific information on proprietary software products available from the Contractor;
- (c) Synopses of information kits regarding Salary Packaging arrangements;
- (d) Salary Packaging Arrangements client information bulletins; and
- (e) Guidelines for FBT liability calculation for Salary Packaging Arrangements.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

The web site must be designed by the Contractor so that all documents or information relevant to the Salary Packaging Arrangements or the services including, but not limited to, the Salary Packaging Arrangements Employee guide, information booklets and start up kits are able to be downloaded on to a user's computing device or printed locally by the user. The Contractor shall manage the online services so that queries from Employees are answered within the time set out in this Request.

With respect to the part of the online services that will be used by Employees, the Contractor shall have regard to the reasonable requests regarding design and operation made by the Contract Authority. The Contractor shall ensure that placement of any advertising material on the web site does not inhibit or delay access to individual Employee related information.

The Contractor shall ensure that all literature, documentation, the web site and any other source of information or material produced, published or prepared by the Contractor or at the request of the Contractor shall include, refer or to allude to any association, connection and/or relationship between the Contract Authority, Customer and the Contractor.

In addition, the Contractor shall ensure that no material, which could be considered embarrassing, offensive or injurious to the reputation of the Contract Authority and/or Customer, will be displayed on the web site.

The server that supports the online services will be located at the Contractor's premises or at the premises of the Contractor's contractor and protected from the Internet by a firewall. Access to individual Employee related information must only be possible by use of a unique security code.

The costs of the communication strategy will be borne by the Contractor.

1.2.3.3 Assistance to Employees on Commencement of Salary Packaging Arrangements

The Contractor shall provide advice to Employees regarding the contracted Salary Packaging Arrangements and the Public Sector Guidelines. The Contractor shall assist Employees in the process of entering into all aspects of Salary Packaging Arrangements (e.g. a novated lease in respect of motor vehicles) and will prepare all necessary documentation to commence Salary Packaging Arrangements. This may include the obtaining of declarations or acknowledgments that Employees have sought independent financial advice or are fully aware of their obligations pursuant to Salary Packaging Arrangements.

The Contract Authority expects that the Contractor will check all applications with respect to Salary Packaging Arrangements for completeness, correct FBT calculation and compliance with the Public Sector Guidelines and the Employee's Salary Packaging Agreement before the services commence and ensure that the Bank Account is in credit at all times with sufficient amounts available for the Contractor to make the required distribution and/or transfers, and to ensure that an appropriate amount has been allocated for FBT purposes.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

The Contractor shall offer a range of educational services for Employees, including, but not limited to free seminars on salary packaging services.

1.2.3.4 Reports to Customer Payroll Office / Sections of Details of Salary packaging arrangements

The Contractor shall provide a dedicated account management team which will be involved in the management of the Salary Packaging Arrangements and will be required to ensure the Contractor's compliance with the performance criteria set out in Schedule 16, Attachment B.

The Contractor shall advise the Payroll Office/Section of the Customer of the total value of Packaged Benefits or Items for each Employee (preferably by electronic means). This advice will be provided within the time limits set out in Schedule 16, Attachment B and will be provided separately for each individual Employee when a Salary Packaging Arrangement is commenced, amended or terminated.

The Contractor shall provide a system that has the ability to receive output reports via an electronic interface from Payroll Office/Sections' detailing the actual distribution and/or transfers made each pay period.

There is no fee payable by the Customer to the Contractor for processing such electronic files.

There is no fee payable by the Customer to the Contractor resulting from the commencement of amendments to Salary Packaging Arrangements.

1.2.3.5 Amend Salary Packaging Arrangements

Amendments to Salary Packaging Arrangements must comply with the terms and provisions of the Employee's Salary Packaging Agreement and in accordance with the performance criteria in Schedule 16, Attachment B.

The Contractor shall also issue a new payroll adjustment advice per Employee that will indicate the new periodic amount required for distribution and/or transfer in respect of Packaged Benefits and Items when the Employee's Salary Package Arrangement is amended.

1.2.3.6 Distribution and / or Transfer of Amounts

The Contractor shall establish a Bank Account (also refer to Schedule 2, Section 1.1.7) for each Customer and the Customer may, from time to time, require such other Bank Accounts wherein all monies received from Customers will be deposited. Such Bank Accounts will be owned and operated by the Contractor but will, only for convenience, include the name of the Customer to which they refer.

Each Bank Account shall be used solely for monies to be distributed and/or transferred pursuant to a Customer Contract and the monies distributed and/or transferred by Customers shall be used solely for that purpose.

Interest on each account shall be retained by the Contractor.

The Contractor shall pay all Bank Fees and transaction charges associated with the operation of the Bank Accounts.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

The Contractor shall ensure that no direct debit facility is operative in relation to any such Bank Account.

The Contractor shall not deal with any such Bank Account, or process or cause to be processed any transaction which has any effect on any such account except as provided for in a Customer Contract.

In accordance with an appropriate notice given by the Contractor to the Customer, each Customer will deposit an amount equal to the total distribution and/or transfer in respect of the packaged benefits for all of its Employees into the Bank Account established by the Contractor for that Customer. The Contractor shall distribute and/or transfer these amounts to Employees' administration accounts upon receipt of an electronic file from the Customer, which contains the relevant information relating to the allocation of these amounts.

Where an Employee has a reconciliation balance to be returned as cash salary, the Contractor shall return the sum of the amounts to the Customer via an agreed mechanism for the Customer to pay to the Employee as cash salary.

1.2.3.7 Carry Out All Distribution and / or Transfers Associated with Salary Packaging Arrangements

The Contractor shall make distribution and/or transfers for the Packaged Benefits or Items of Employees' Salary Packaging Arrangements at no cost to Customer.

Subject to the availability of amounts or otherwise agreed between the Contractor and the Customer, the Contractor shall make the following distribution and/or transfers:

- (a) Regular distribution and/or transfers on a basis in accordance with Salary Packaging Arrangements;
- (b) Reimbursement to Employees for payments which have been made by the Employee in accordance with Salary Packaging Arrangements; and
- (c) Any extraordinary distribution and / or transfers in accordance with Salary Packaging Arrangements.

The Contractor shall distribute and/or transfer expenses associated with Packaged Benefits using the following methods:

- (a) Cheque or Electronic Funds Transfer for regular distribution and/or transfers (e.g. monthly) to a Recipient, e.g. vehicle lease distribution and/or transfers with regard to motor vehicle lease;
- (b) Cheque or Electronic Funds Transfer for distribution and/or transfers to a Recipient which are not distributed and/or transferred on a regular basis, e.g. vehicle insurance premiums with regard to motor vehicle lease; and
- (c) Electronic Funds Transfer for reimbursement of paid accounts, e.g. vehicle servicing costs with regard to motor vehicle lease.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

The Contractor shall maintain an appropriate salary/audit trail, showing both the due date for the transaction and the actual date of distribution and/or transfer, to enable the tracking of changes to each Employee's Salary Packaging Arrangement and the distribution and/or transfers made on behalf of each Employee.

It will be the responsibility of each Employee to provide relevant and whether necessary original receipts and other appropriate documentation sufficient to enable substantiation by the Contractor for expenses paid or reimbursed. The Contractor shall ensure that all claims for distribution and/or transfer and/or reimbursement are accompanied by the necessary receipts or invoices prior to distribution and/or transfer and/or reimbursement of any expense.

1.2.3.8 Regular Reporting to Employees

The Contractor shall provide quarterly written reports to Employees in relation to their Salary Packaging Arrangements within the time limits set out in Schedule 16, Attachment B. These reports will provide full details on the Employee's Salary Packaging Arrangement, including contributions received, distribution and/or transfers made, opening and closing balances and any other costs incurred.

The Contractor shall provide a facility to enable Employees to gain access to details of their contributions and distribution and/or transfers for the past ninety (90) days; current account balance and details such as Fuel Card purchases via online services. Access will be available twenty-four (24) hours per day, seven (7) days per week and the Contractor shall ensure that downtime does not exceed five (5%) percent of available hours. A Personal Identification Number advice and user access instructions will be sent to all employees upon commencement of Salary Packaging Arrangements.

1.2.3.9 Fringe Benefits Tax Record Keeping and Reporting

The Contractor shall fulfil the Customers' responsibilities to maintain FBT records and calculate FBT liabilities in respect of Salary Packaging Arrangements. The Contractor's FBT record keeping and reporting will be used by the Customer to meet FBT substantiation requirements, prepare FBT returns and pay FBT liabilities to the Australian Taxation Office.

Quarterly FBT liability reports will be provided in an agreed format to each Customer by the fourteenth (14th) day of the month following the end of each of the first three quarters of the FBT Year. These reports will be based on actual distribution and/or transfers made for Employees of packaged benefits, which attract FBT and on estimates of usage (e.g. novated lease motor vehicles). It is the responsibility of the Contractor to advise the Employee on a quarterly basis if an Employee does not reach the projected kilometres travelled if applicable for the novated vehicle lease.

Annual FBT Liability and Adjusted Fourth Quarter FBT Liability reports will be provided in an agreed format to each Customer by the twenty-first (21st) of April each year. These reports will be based on actual distribution and/or transfers made for Employees in respect of packaged benefits that attract

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

FBT and on Employees' declarations of actual usage (e.g. novated lease motor vehicles).

Amounts to pay FBT liabilities will not be distributed and/or transferred to the Contractor and the Contractor will not be required to make FBT payments to the Australian Taxation Office or unless otherwise agreed between the Contractor and the Customer.

The Contractor shall send FBT declaration forms in sufficient time to reach all Employees with a novated lease vehicle before the twenty-fifth (25th) of March of each year. Each Employee will be required to complete and sign the declaration and return it to the Contractor by the seventh (7th) of April of each year, otherwise the maximum FBT rate is applied. The Contractor shall retain the forms on the Employee's file for possible future tax audit purposes.

The Contractor shall provide Employees with their provisional and actual FBT liability figures for the previous FBT year in mid-April, together with such relevant advice as is necessary and required.

The Contractor shall have full liability for the collection and recording of usage declarations and for the consequential advice to Customers of the actual FBT liability resulting from the Salary Packaging Arrangements of employees (e.g. novated lease motor vehicles).

The Contractor shall correspond in September of each year, or as agreed with the Customer in relation to usage and FBT forecast and will make necessary adjustments as required (e.g. novated lease motor vehicles).

The Contractor shall require the Employee to maintain all such documentation as may be required by the Customer in respect of novated lease motor vehicles in so far as the Customer's obligations with regard to any taxation or FBT liability.

Variations to the above may be required from time to time in accordance with changes in legislation relating to FBT.

1.2.3.10 Goods and Services Tax (GST) Record Keeping and Reporting

The Contractor shall maintain GST records and provide a monthly report by the 10th day of the month following the reporting period (or as agreed between the Customer and the Contractor) detailing to the Customer the Employee's GST liabilities in respect of their Salary Packaging Arrangements. The Contractor's GST record keeping and reporting will be used by the Customer to claim the GST Input Tax Credits (ITC) from the Australian Taxation Office. The claimed aggregate ITC may be forwarded to the Contractor to be credited back into each Employees account, accordingly.

The Customer may agree with the Contractor on an alternative regime for the treatment of GST.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

1.2.3.11 Reconciliation of Salary Packaging Arrangement

The Contractor shall perform reconciliation of Employees' Salary Packaging Arrangements annually and upon termination of Packaged Benefits or employment. Such reconciliation will include an Employee's estimated expenses and actual expenses, and estimated and actual FBT liability.

Reconciliation reports will be provided to all Employees and where applicable Customers. The reconciliation reports will contain but not be limited to the following level of detail:

- (a) Opening balance;
- (b) Contributions received;
- (c) Distribution and/or transfers made;
- (d) Any other transactions;
- (e) Closing balance;
- (f) Account balance amount returned to the Customer for payment as cash salary (upon termination of a Salary Packaging Agreement or the Salary Arrangement); and
- (g) The reconciliation of the estimated and actual FBT liability and the GST.

The Contractor shall forward quarterly reports of transactions to all Employees at their home addresses (or via other agreed means such as email).

The Contractor shall also provide a system which will allow Employees to access their data at any time, twenty-four (24) hours a day, and gain "read only" access to a transaction statement for the last ninety (90) days and to view their current salary package distribution and/or transfer account balance (and in the case of a novated motor vehicle lease, the details of distribution and/or transfers with respect to their fuel card monthly). Employees will have the option of locally (at home) printing the reports accessed in this way. Access to personal records will be controlled by unique Code and Personal Identification Number combinations.

Where a reconciled surplus in an Employee's benefit account exists, the amount shall be rolled over into the new year or redistributed within the Salary Packaging Arrangements in accordance with the Employee's Salary Packaging Agreement. Where the Employee has not prospectively elected for any surplus to be rolled over or redistributed, the surplus will be paid to the Employee as cash salary in accordance with this Request.

In the event that the Contractor is unable to perform such reconciliations of an Employee's estimated expenses and actual expenses, and estimated and actual FBT liability then the Customer may in its discretion terminate the Customer Contract forthwith and without notice to the Contractor.

1.2.3.12 Reporting

The reports set out below will be prepared and provided by the Contractor in an agreed electronic format (*.csv or MS Excel format *.xls) within the times

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

set out in Schedule 16, Attachment B, 'Performance Criteria, Section 4 Reports'.

Other reports will be developed and produced by the Contractor as agreed with the Contract Authority / Customer from time to time.

The Contractor shall provide all information to the Contract Authority and/or Customers in an electronic format as agreed between the Contract Authority, Contractor and each Customer. The administration fees per Employee are inclusive of all reporting requirements:

(a) Salary Packaging Arrangement Amendments

The Contractor shall provide, via agreed Electronic Means, Customers with a payroll adjustment advice per Employee that will indicate the new periodic payment amount required for distribution and/or transfer in respect of packaged benefits and the fortnightly FBT provision amount. Each Customer will enter the new periodic payment amounts into its payroll system.

(b) Quarterly Reports

Quarterly reports will include but not be limited to the following:

- i. Total number of users per agency utilising the services of the Contractor and the aggregate (\$) turnover (including FBT deductions) for the period and other information as required by the Customer.
- ii. Disputes between the Contractor and any Employee that has not been resolved and/or settled within thirty (30) days.

(c) Annual Reconciliation

At the end of each FBT year Employees are required to submit declarations in respect of certain packaged benefits (e.g. in the case of novated motor vehicle leases, the actual kilometres travelled). Once these declarations are received a reconciliation of the Employee's FBT account and expenditure account will be completed by the Contractor and provided to Customer and Employee.

(d) Termination Reconciliation

Upon termination an Employee is required to complete a declaration in respect of certain packaged benefits (e.g. in the case of novated motor vehicle leases, the actual kilometres travelled). In this event, the Contractor shall calculate the actual FBT liability and advise the relevant Customer of this amount. The expense account will also be reconciled and any surplus amounts will be returned to the relevant Customer.

(e) Quarterly FBT Liability Reports

Quarterly FBT liability reports will list all Employees and the estimated and actual FBT liability for the relevant Customer. These reports will be provided to the Customer by the fourteenth (14) day of the month following the end of each of the first three quarters of the FBT year.

(f) Annual FBT Liability Report

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

Customers will be provided with Fourth Quarter (Actual) and Annual FBT Liability reports by the fourteenth (14th) of April of each year. These reports provide actual FBT liability distribution and/or transfers attracting FBT if these are included in the package (e.g. novated motor vehicle leases).

(g) Reportable Superannuation

The Contractor shall provide Customers with reportable superannuation reports as follows:

- i. Monthly Reporting - a monthly report detailing YTD Reportable Superannuation reconciliation by the fourteenth (14) day of the month following the end of each month.
- ii. Annual Payment Summary Reporting - an end of financial year Reportable Superannuation Payment report by 1st July each year for inclusion in employee's payment summaries.

(h) Audit Trail of Changes to Employees Packages

Each time Employees make a change to their package the date of the change shall be recorded by the Contractor and relevant reports will be provided to Customers upon request.

(i) Other Reporting to Customers

Contractors are advised that from time to time Customers may require the reasonable submission of other reports relating to services provided under Contracts. The format and timing of these reports are at the absolute discretion of the Customer. The Contractor shall produce additional reports upon request from Customers at no cost to the Customers.

1.2.3.13 Motor Vehicle Novated Lease

- (a) The Contractor shall offer a range of novated leases available to Employees that will include:
 - i. Motor Vehicles novated lease - only the purchase price of the vehicle is leased.
 - ii. Fully maintained MV¹ novated lease - the purchase price of the vehicle and its running costs are leased.
- (b) The Contractor shall advise and provide details to Employees wishing to finance vehicles through novated leases, including but not limited to the following:
 - i. FBT implications of salary packaging;
 - ii. The types of costs that are covered;
 - iii. How the costs are determined;
 - iv. Management of shortfalls and surpluses;
 - v. Use of fuel cards;
 - vi. Types of optional services that can be included in novated leases;
 - vii. Employees obligations when using third party financiers; and

¹ MV stands for Motor Vehicle.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- viii. Quotation summary² providing an equitable comparison of the costings for a novated lease as compared to a personal loan³.
- (c) The Contractor shall provide guidance to assist employees understand their obligations and responsibilities when entering into a novated lease, explanation of how a novated lease works, and including:
 - i. Insurance – the need to keep the vehicle insured;
 - ii. Change of employment status – to advise the packaging provider;
 - iii. Options should the Employee become unemployed;
 - iv. Explanation of and responsibility for the residual value;
 - v. Options in relation to the vehicle at the end of the lease (re-lease, trade-in or payoff);
 - vi. Obligations with regards to FBT at the end of the lease;
 - vii. Calculator for lease quotation comparisons, detailing the costs and taxes so as to enable an equitable comparison.
- (d) The Contractor shall offer a fuel card system that enables access to at least 2 fuel suppliers for each Employee and process fuel card requests within the time limits in Schedule 16, Section 2.

1.2.3.14 Distribution and / or Transfer In Respect Of Novated Motor Vehicle Leases

The Contractor shall make distribution and/or transfers in respect of certain motor vehicle expenses as follows:

- (a) Lease repayments will be made on a specified date each month to the Finance Companies. These distribution and/or transfers will be made by Electronic Funds Transfer (EFT) or cheque;
- (b) Fuel Card purchases will be invoiced monthly and electronically updated to the Employees' accounts. The distribution and/or transfers are made to the fuel provider by EFT or cheque on a monthly basis;
- (c) Auto club membership fees will be distributed and/or transferred either directly to the provider or by reimbursement to the Employee. The Employee will be required to provide a receipt for reimbursement by EFT or an invoice for direct distribution and/or transfer by cheque to the provider;
- (d) Motor vehicle registration will be distributed and/or transferred directly to the Department of Transport or by reimbursement to the Employee. The Employee will be required to provide the original registration form and the relevant section will be returned to the Employee after distribution and/or transfer or by reimbursement on production of proof of payment;

² The Contract Authority may implement a standard quotation summary in consultation with Contractors. This may not be a standard 'form' across all Contractors but relate to standard requirements.

³ As per the Financial Services Ombudsman's website, a personal loan is a type of loan available from banks, finance companies and other financial institutions, generally for the purposes such as buying a car, boat or furniture (refer <http://fos.org.au/> then search for 'Personal Loan Definition' and then 'FOS Definition of Products - June 2014').

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- (e) Insurance Premiums will be distributed and/or transferred either directly to the service provider or by reimbursement. The Employee will be required to provide the original renewal notice for distribution and/or transfer or a receipt for reimbursement by EFT; and
- (f) Amounts in respect of vehicle servicing and maintenance charges will be distributed and/or transferred either directly to the service provider or be paid by reimbursement. The Employee will be required to provide the original invoice/account for distribution and/or transfer or a receipt for reimbursement by EFT except where the service is paid for via the fuel card.

The Contractor shall provide a system, which can direct distribution and/or transfers to different service providers on different days of the month.

The Contractor's staff will process claims for distribution and/or transfer within the timeframes set out in Schedule 16, Attachment B.

1.2.3.15 Update of Salary Packaging Arrangements Manual / Information Booklet

The Contractor shall provide timely updates to the Salary packaging arrangements manual, booklets and any other media provided to Employees. Updates will incorporate any changes in Salary packaging arrangements policy or procedures or changes in taxation or other legislation affecting Salary packaging arrangements and will be included in the information kits and on the web site maintained by the Contractor. Written bulletins regarding updates will be forwarded to all Employees.

All Customers will be provided with electronic copies of the Salary packaging arrangements manual or other information medium as part of the communication process.

1.2.3.16 Information Technology

The Contractor shall use and maintain the appropriate information technology (IT) systems with capacity to provide an efficient service with respect to the administration of Salary packaging arrangements. The Contractor warrants that its system provides the following functions and services:

- (a) Sufficient IT processing and storage capacity to service the Contract Authority and/or Customer's current and future needs for the administration of Salary packaging arrangements;
- (b) Service levels in respect to system availability and response times that are appropriate to a commercial bureau service;
- (c) Appropriate existing back up and disaster recovery procedures;
- (d) Capability of electronically interfacing with various Customer computer systems;
- (e) Ability to efficiently process a range of data sets, distribution and/or transfer types and frequencies; and
- (f) Ability to process both regular and ad hoc distribution and/or transfers.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

In particular the Contractor warrants that it has such computer and electronic hardware and software to calculate, generate and prepare such reports regarding estimated and actual expenses and estimated and actual FBT liability in respect of any participating Employees whether employed by a Public Benevolent Institution or not.

The Contractor acknowledges that some modifications to its "Income processing" program may be required in order to accommodate output formats from some Payroll Office/Section systems. The cost of such modifications will be borne by the Contractor.

1.2.3.17 Security and Data Ownership

The Contractor shall maintain appropriate security, and treat as confidential all data, reports and other information related to Employees' salary. The Contractor shall follow the following procedures to maintain security:

- (a) Access to system records will be controlled by a two stage, password protected log-in procedure;
- (b) Hard copy Employee records will be stored in locked compactus units;
- (c) The offices where confidential information is kept will be alarm protected and directly connected to the Contractor's security service;
- (d) All Employee, Customer and/or Contract Authority records will be treated as strictly confidential and details will not be released to third parties without written authorisation from the relevant Employee, Customer and/or the Contract Authority; and
- (e) Upon request from the Employee or the Customer the Contractor shall require staff members to execute confidentiality deeds.

The Contract Authority, in conjunction with the Customer, shall retain ownership of and access to all data, reports and information related to Employees' salary. Access by the Contract Authority or its authorised representatives, such as the Contract Authority's auditors, will be available at all times between 8.00 a.m. and 6.00 p.m. Monday to Friday and at all other reasonable times.

1.2.3.18 Back Up and Record Storage

The integrity and preservation of third party documents and data files administered by the Contractor are critical for the Employee and the Customers to fulfil their obligations under tax and other legislation. The Contractor shall perform a full computer system data backup nightly and preferably an incremental transaction data backup to both hard disc and magnetic tape hourly during working hours. Archived system data and hard copy files will be retained for seven years after an Employee ceases involvement in the services.

1.2.3.19 Management Systems

The Contractor shall utilise and maintain appropriate management systems and resources to provide an efficient service with respect to the administration of Salary packaging arrangements. The Contractor warrants that its management systems and resources provide the following features:

- (a) Appropriate experience and capability in the administration of Salary packaging arrangements;
- (b) Dedicated administration resources to service Employee and Customer needs;
- (c) Relief support for management and administration resources;
- (d) Suitably trained staff and appropriate Employee enquiry processes and problem resolution procedures to ensure Employees receive excellent service;
- (e) Appropriate reporting to monitor and assess the performance of the Contractor against performance standards;
- (f) Routine independent quality assurance of processing with constant supervision from a team leader responsible for monitoring processes against performance standards; and
- (g) Business continuity response plan.

The Contractor shall provide an internal control and audit unit, which includes staff who are trained in problem resolution techniques. The internal audit and quality control unit must be available to assist in problem resolution. Where any problem is raised with the Contractor's staff, such staff members will have the responsibility of liaising with Employees and any third parties until the problem is resolved and then advising the plaintiff of the outcome.

1.2.3.20 Liaison with the Contract Authority

The Contractor must be available to attend regular meetings with the Contract Authority or its representative to monitor service provision and identify potential system inefficiencies. Meetings will occur at least quarterly and more frequently if there are specific issues requiring resolution.

1.2.3.21 Performance Reviews and Measures

The key performance criteria required of the Contractor in carrying out the Services under this Common Use Arrangement is listed in Attachment B of Schedule 16.

In the event that any one of the listed performance criteria is not met to the Contract Authority or Customer satisfaction, the Contractor may be required to pay costs to the Employee incurred as a result of the Contractor's negligence (e.g. additional interest if mortgage is not paid, other costs if health or other insurance is not paid and premium expires etc).

During the term, the Contractor shall participate in performance reviews and provide the Contract Authority or its representative with reports concerning the Contractor's performance under this CUA and all Customer Contracts.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

Performance reviews and reports will include an appraisal of the Contractor's performance measured against the performance criteria set out in Schedule 16, Attachment B, any additional requirements agreed from time to time between the Contract Authority and/or Customer(s) and the Contractor and any other issues relevant to the Contractor's performance.

Unless otherwise directed by the Contract Authority, performance reports in Schedule 16, Attachment B for the following will be provided monthly.

1. Communication Requirements;
2. Operational Processing; and
3. FBT Processing.

The performance reports will be provided to the Contract Authority within fourteen (14) days after the end of each month. The Contract Authority or its representative will then conduct a performance review and if applicable a meeting will be convened with the Contractor to discuss any outstanding issues.

The Contractor shall maintain a database of the reported information over the life of this CUA and all Customer Contracts and will supply the Contract Authority and/or Customers with reports on request.

The Contractor shall participate in and take all reasonable measures to facilitate the objectives and conduct of the performance reviews.

The Contract Authority will maintain a "Log of Complaints" to record clients' complaints and will be monitored on a fortnightly basis until resolution is achieved. Contractors are to keep complainants informed with regards to the progress and resolution of their case.

Client/user surveys will be undertaken at Customer Contract reviews or as considered necessary and will form part of the performance review measures.

1.2.3.22 Contact Protocols and Customer Services Charter

(a) Contact Protocols for Employees

The Contractor shall adhere to the following protocols with regard to contact with Employees:

- i. The Contractor shall not cold canvass or initiate contact with Employees at the workplace or during business hours;
- ii. Access to the workplace by the Contractor shall only be with the permission of the Customer;
- iii. Requests for information regarding distribution or location of Employees for the purposes of providing information or conducting information sessions shall be directed to the Customer; and
- iv. Programs developed by the Contractor for the distribution of information or the conduct of information sessions or other contact with Employees shall be submitted to the Customer for approval before implementation.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

(b) Customer Services Charter

The Contractor shall establish and maintain a Customer Services Charter within 6 weeks of contract award of this CUA, for the purpose of ensuring its full compliance with the services and other requirements with regard to this CUA and Salary Packaging Arrangements both generally and specifically. This Customer Service Charter is to reflect the contractual arrangements of these Salary Packaging Arrangements and is to include a complaints resolution process that mirrors the complaints resolution Clause within this CUA.

The Contractor will be required to provide information on the nature and number of problems arising with customers or complaints received from customers regarding the operation of the Salary Packaging Arrangements.

1.2.3.23 Motor Vehicle Financiers

The Contractor may establish a suitable panel of financiers in relation to employees financing vehicles through novated leases. Attachment C, Schedule 16, Form 2 is a sample 'Deed of Novation' sample form with the required details to be completed. This panel may be established through expressions of interest called by the Contractor. The panel list is to be included in the Policy and Procedures Manual.

A standard novated lease form will be implemented and financiers (including non-panel financiers) that do not comply may be excluded from supplying services, at the Contract Authority's sole discretion.

There is no obligation by any Employees to use the financiers established by the Contractor. Employees will be free to select a financier of their choice.

Transitioning to another Contractor (see clause 1.2.3.24 for further details) will not impact on novated vehicle leases with existing financiers but salary packaging would be administered by the new Contractor.

1.2.3.24 Transitioning Requirements

The Customer shall advise its Employees of any transitioning requirements. A sample form for this advice is contained in Attachment C, Schedule 16, Form 3 'Salary Packaging – Changing Providers (Transitioning)'.

(a) Rules for Transitioning

- i. A Contractor has no legal right to attempt to recover lost clients to a new Contractor. Where an Customer, Employee or Customer requests to transition, the Contractor has no right to contact them and attempt in any way to influence their decision. A Contractor may however, subsequent to the transition, issue an optional feedback form by email or post.
- ii. The Contractor must de-activate the Employee's record following transition-out and not undertake any outbound marketing to that Employee in subsequent years.
- iii. Each Contractor shall have a designated contact for transitioning-out and transitioning-in.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- iv. Positive and zero balances only will be transferred. Negative balances are to be reconciled by the Contractor (not the new Contractor).
 - v. The Contractor shall not issue specific campaign or promotional material that is solely directed to encourage staff to transition over.
- (b) Information to be exchanged between a current Contractor and the new Contractor

Each Contractor is to supply this information to the new Contractor within **ten working days** of an Employee notifying an intention to transition, with the following information.

(i) Employee Details

Item	Data Required	When
Name First	Alpha	Within 10 days of request
Name Middle	Alpha	Within 10 days of request
Name Last	Alpha	Within 10 days of request
Title	Dr, Mr, Mrs, Ms, Miss	Within 10 days of request
Tax File Number	Numeric (9)	Within 10 days of request
Contact Phone Home	Numeric (10)	Within 10 days of request
Contact Phone Work	Numeric (10)	Within 10 days of request
Contact Phone Mobile	Numeric (10)	Within 10 days of request
Email Address (If Known)	Convention	Within 10 days of request
Employment Status	Full, Part, Casual	Within 10 days of request
Annual Salary (For Packaging)	\$ Figure	Within 10 days of request
Date of Birth	DD/MM/YY	Within 10 days of request
Payroll Number	Alphanumeric (6N/4A)	Within 10 days of request
Customer	Alpha	Within 10 days of request
Address – Street No, Name	Free Field	Within 10 days of request
Suburb	Free Field	Within 10 days of request
Postcode	Free Field	Within 10 days of request
Financial Planner Name	Alpha	Within 10 days of request
Financial Planner Phone Contact	Number	Within 10 days of request
Financial Planner Authority to view	Y or N	Within 10 days of request
Financial Planner Authority to change	Y or N	Within 10 days of request

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

Item	Data Required	When
Employee Re-Imbursement Bank BSB	Numeric (6)	Within 10 days of request
Employee Re-Imbursement Acct No.	Numeric (4-9)	Within 10 days of request
Employee Re-Imbursement Acct Name	Alpha	Within 10 days of request
End Employment Date – If Known/Firm	DD/MM/YY	Within 10 days of request

(ii) Cap and Exempt Items (per item)

Item	Data Required	When
Item Paid	Rent, Mortgage etc	Within 10 days of request
Amount Paid per period Excl GST	\$	Within 10 days of request
Amount Paid per period GST Only	\$	Within 10 days of request
Amount Paid per period Total	\$	Within 10 days of request
Period of payment	Fortnight, Month, Qtr	Within 10 days of request
Documentation Valid for	No of Years incl. <year>	Within 10 days of request
Party being Paid	Alpha	Within 10 days of request
First Payment date	DD/MM	Within 10 days of request
Payment end date (if known)	DD/MM/YY	Within 10 days of request
Payee BSB – If EFT	Numeric (6)	Within 10 days of request
Payee Acct Number – If EFT	Numeric (4-9)	Within 10 days of request
Payee Acct Name – If EFT	Alpha	Within 10 days of request
Payee Address (where payment other than EFT)	Free Field	Within 10 days of request
Item Reference	Loan/Insurance Ref Number	Within 10 days of request
YTD reportable fringe benefit totals	\$	Within 10 days of request

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

(iii) Superannuation

Item	Data Required	When
Fund Name	In Detail	Within 10 days of request
Amount Paid per period Excl GST	\$	Within 10 days of request
Period of payment	Fortnight, Month, Qtr	Within 10 days of request
Member Number	Free Field	Within 10 days of request
First Payment date	DD/MM	Within 10 days of request
Payment end date (if known)	DD/MM/YY	Within 10 days of request
Payee BSB – If EFT	Numeric (6)	Within 10 days of request
Payee Acct Number – If EFT	Numeric (4-9)	Within 10 days of request
Payee Acct Name – If EFT	Alpha	Within 10 days of request
Payee Address (where payment other than EFT)	Free Field	Within 10 days of request

(iv) Vehicle

Item	Data Required	When
Lease Type	Fully Maintained or Fin Only	Within 10 days of request
FBT Base Cost	\$ Figure	Within 10 days of request
Estimated kilometres (Kms)	Annual Travelling Estimated	Within 10 days of request
Registration Number	Free Field	Within 10 days of request
Make	Alpha	Within 10 days of request
Model	Alpha	Within 10 days of request
Colour	Alpha	Within 10 days of request
FBT Method	ECM or Inside CAP	Within 10 days of request
Annual Fuel Estimate	\$ Figure	Within 10 days of request
Annual Maintenance Estimate	\$ Figure	Within 10 days of request
Annual Registration Estimate	\$ Figure	Within 10 days of request
Annual Insurance Estimate	\$ Figure	Within 10 days of request
End Kms at 31 March 2005	ODO Reading	After FBT Report Finalised
Lease Start Date	DD/MM/YY	Within 10 days of request
Lease End Date	DD/MM/YY	Within 10 days of request

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

Item	Data Required	When
Lease Payment P Month ex GST	\$ Figure	Within 10 days of request
Lease Payment P Month GST	\$ Figure	Within 10 days of request
Lease Payment P Month Total	\$ Figure	Within 10 days of request
Lease Payment Due Date	DD/MM	Within 10 days of request
No. of payments due in next FBT Year	Number	Within 10 days of request
Lease Creditor	Alpha	Within 10 days of request
Lease Creditor BSB	Numeric (6)	Within 10 days of request
Lease Creditor Acct Number	Numeric (4-9)	Within 10 days of request
Lease Creditor Acct Name	Alpha	Within 10 days of request
Lease Identifier	Free Field	Within 10 days of request

(c) Notification Procedure

The notification procedure includes the following:

- i. The Employee or the Customer representative contacts the new Contractor to request transition-in.
- ii. The new Contractor must obtain written confirmation from the Employee/Customer representative as to the instruction to transition. Attachment C, Schedule 16, Form 4 contains the authorities that must be used for the purpose of receiving an Employee/Customer representative request to transition.
- iii. Where the Customer representative contacts the new Contractor at the request of an Employee, the new Contractor will ask the Customer representative to fax through Attachment C, Schedule 16, Form 4 before acting on the request.
 - The new Contractor contacts the current Contractor to advise that transition has been requested and forwards the applicable authority. "Applicable Authority" is a copy of the transition authority (as detailed in Schedule 16, Attachment C, Form 4).
 - The current Contractor will provide a spreadsheet containing the required information to the new Contractor within ten working days, together with substantiating documentation held by the current Contractor at the time of transition for packaged items and ongoing payments.
- iv. The new Contractor will forward advice to the relevant Payroll Office about the transition and the Employee's packaging amount from the first pay period of the new FBT year.

CUA SPS2017 SPECIFICATIONS AND STATEMENT OF REQUIREMENTS (EXTRACT FROM REQUEST DOCUMENT FOR CUA SPS2017)

- v. The outgoing and new Contractors shall both provide a final spreadsheet of all transitioning employees to the employing Agency's Salary Packaging Co-ordinator by 14 April each year (or as otherwise agreed between the Customer and the Contractors). The Customer shall provide the Contractors with the required contact details of its Salary Packaging Co-ordinator.
- vi. The outgoing Contractor is to adjust their system to cease taking deductions and cease making payments from the first pay period in April (or as otherwise agreed between the Customer and the Contractors), and to transfer reconciled balance monies, together with a breakdown of funds for each Employee transitioning, to the new Contractor by 14 April (or as otherwise agreed between the Customer and the Contractors).
- vii. The Customer shall advise its Employees to contact their outgoing Contractor by telephone or email to:-
 - Advise the Contractor of their decision;
 - Instruct the Contractor to cease making payments as at the last pay day in March (or as otherwise agreed between the Employee and the Contractor) and to reconcile the Employee's account as at that date;
 - Provide the Contractor with the Employee's instructions as to any excess or negative fund balances remaining in their account; and
 - Should there be a novated lease within the packaging, inform the Contractor of all the required details so they are able to complete end of year FBT processes.