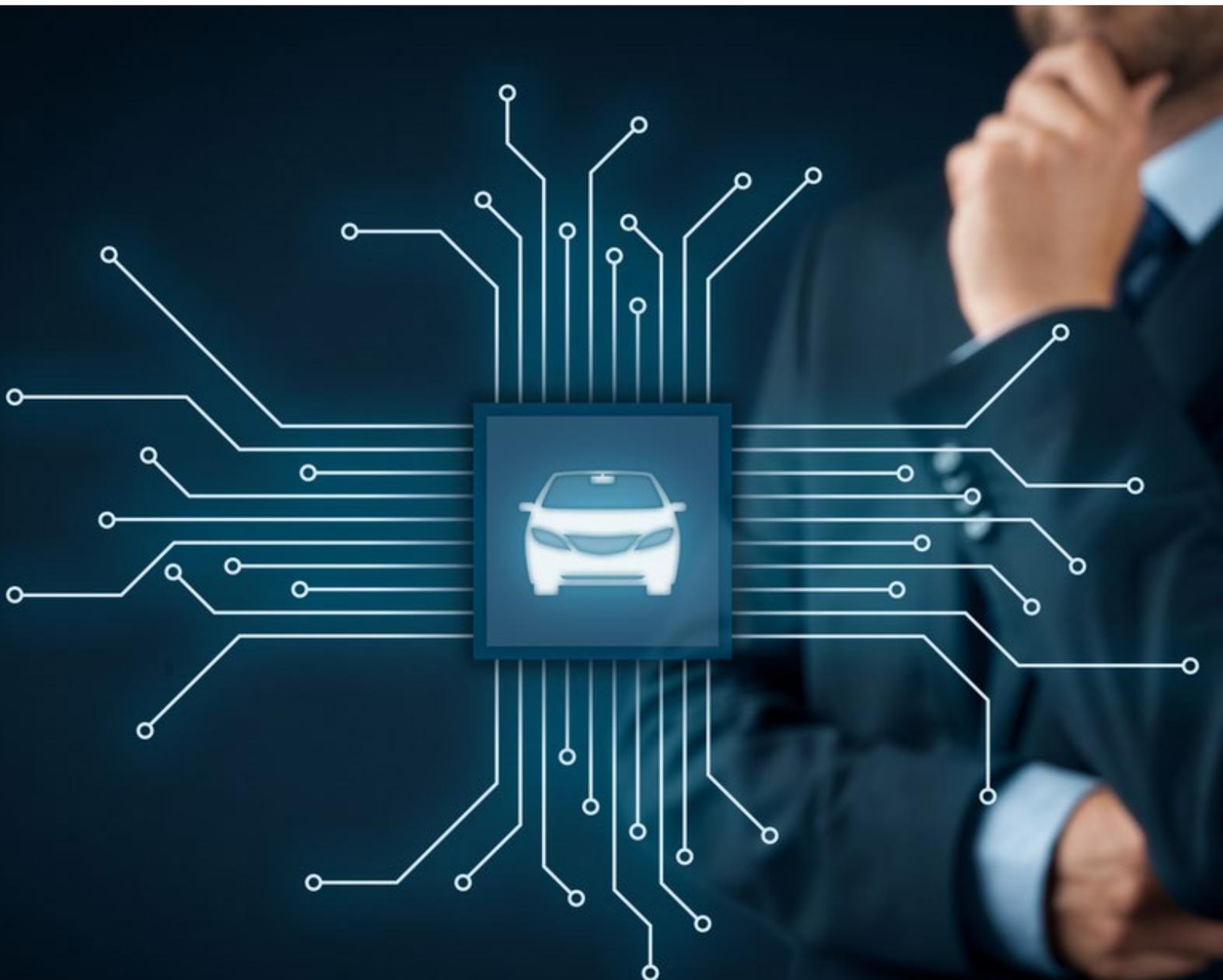




Crown  
Commercial  
Service

# Vehicle Telematics

Customer guidance notes (RM3754)



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# 1

## Introduction

**This guidance provides you with the information you need to buy services under the Vehicle Telematics framework agreement (RM3754).**

It is not intended to provide specialised procurement, legal or other professional advice.

In cases where there is high risk, uncertainty or complexity, you are strongly advised to seek advice from appropriate specialist personnel within your own organisation.

# 2

## The benefits of vehicle telematics

### What is vehicle telematics?

Vehicle telematics is a way of monitoring the location, movement, status and behaviour of a vehicle or a fleet of vehicles. The word 'telematics' is a combination of the words telecommunications and informatics.

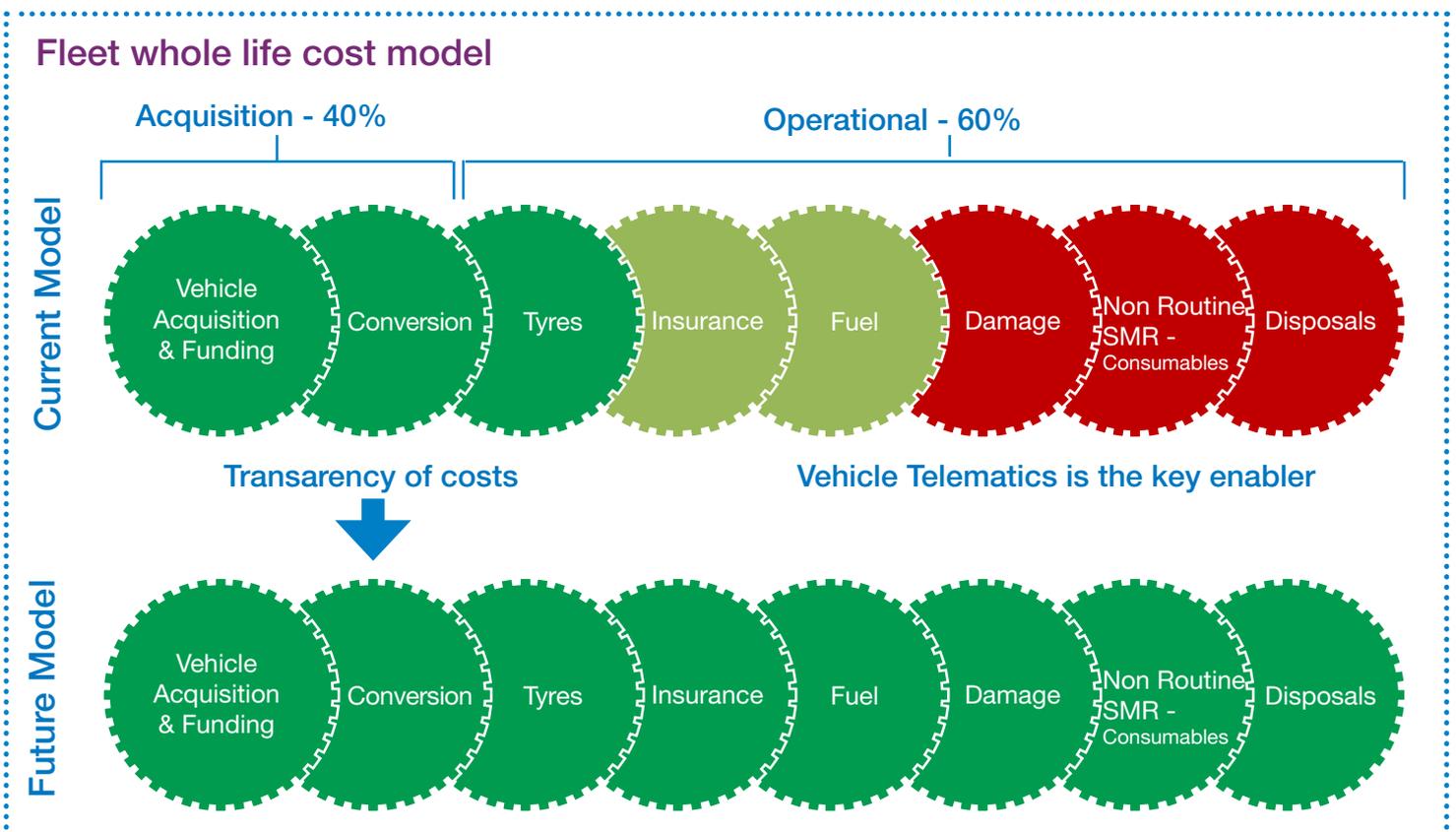
Vehicle monitoring is typically achieved by fitting vehicles with GPS (Global Positioning System), but other features can be added that record and track driver behaviour, as well as other activity of the vehicle such as its physical performance and the monitoring of aspects such as fuel consumption.

### Why is it so important?

A 2016 iGov survey found that 57% of public sector fleets have already introduced or plan to introduce telematics. A further 51% of participants said they had introduced telematics to monitor individual vehicles and lone workers.

Telematics is a key enabler for mature fleet management: the collection and analysis of vehicle telematics data can help reduce fleet costs; support employers' duty of care obligations; increase productivity; improve vehicle security; manage legislative compliance; and reduce carbon footprint.

Vehicle telematics also supports the whole life cost management of vehicles, providing live, operational data:



## What is the purpose of vehicle telematics?

Most contracts have multiple objectives that can be grouped into the following areas:



For more detailed information, including case studies, the following white papers may be helpful:

- The Fleet Industry Advisory Group – [“Telematics Explained”](#)
- British Vehicle Rental and Leasing Association – [“Fleet Technology”](#)

## Why does telematics benefit the employee?

Employees may resist the introduction of telematics into fleets with the view that it advocates a “big brother” culture, where privacy is threatened. Whilst attitudes are changing, a clear communication plan explaining the rationale, along with benefits to employees can help. This could include:

- Summary of pre-engagement and buy-in from key stakeholders.
- Whether there are incentives for top performing drivers.
- Transparent escalation process for under performing drivers, with emphasis on improvement over punishment.
- Reduced stress and fatigue as up-to-date satellite navigation/ mapping means drivers will reach their destination first time every time.
- Two-way communication enabling drivers and their office to be in constant contact.
- Detailed mileage records aiding expenses claims.
- In the case of light commercial vehicle drivers the burden of proof rests with them to show exemption from benefit-in-kind tax so mileage records are essential.
- Indisputable proof that the employee was, for example, at a customer’s premises at a specific time.
- In the event of allegations of missed appointments, late deliveries or indeed suggestions that a driving or parking offence had been committed, the data recorded could be the answer to a driver’s innocence.

***“It’s an invasion of our privacy”***

# 3

## Writing a business case

You may need to write a business case to convince stakeholders of the benefits vs. costs of telematics and to release necessary funding. Even if funds are more readily available, a business case provides a clear argument to ensure you are making the right decision for your organisation.

Before starting, keep in mind that a business case should be brief and to the point. Also, think of your audience and map your stakeholders and interaction points at the earliest opportunity.

### 1. Executive summary

**First impressions count**, you need to get this section right. A poor executive summary could mean the rest of your business case is pushed aside without receiving the attention it deserves.

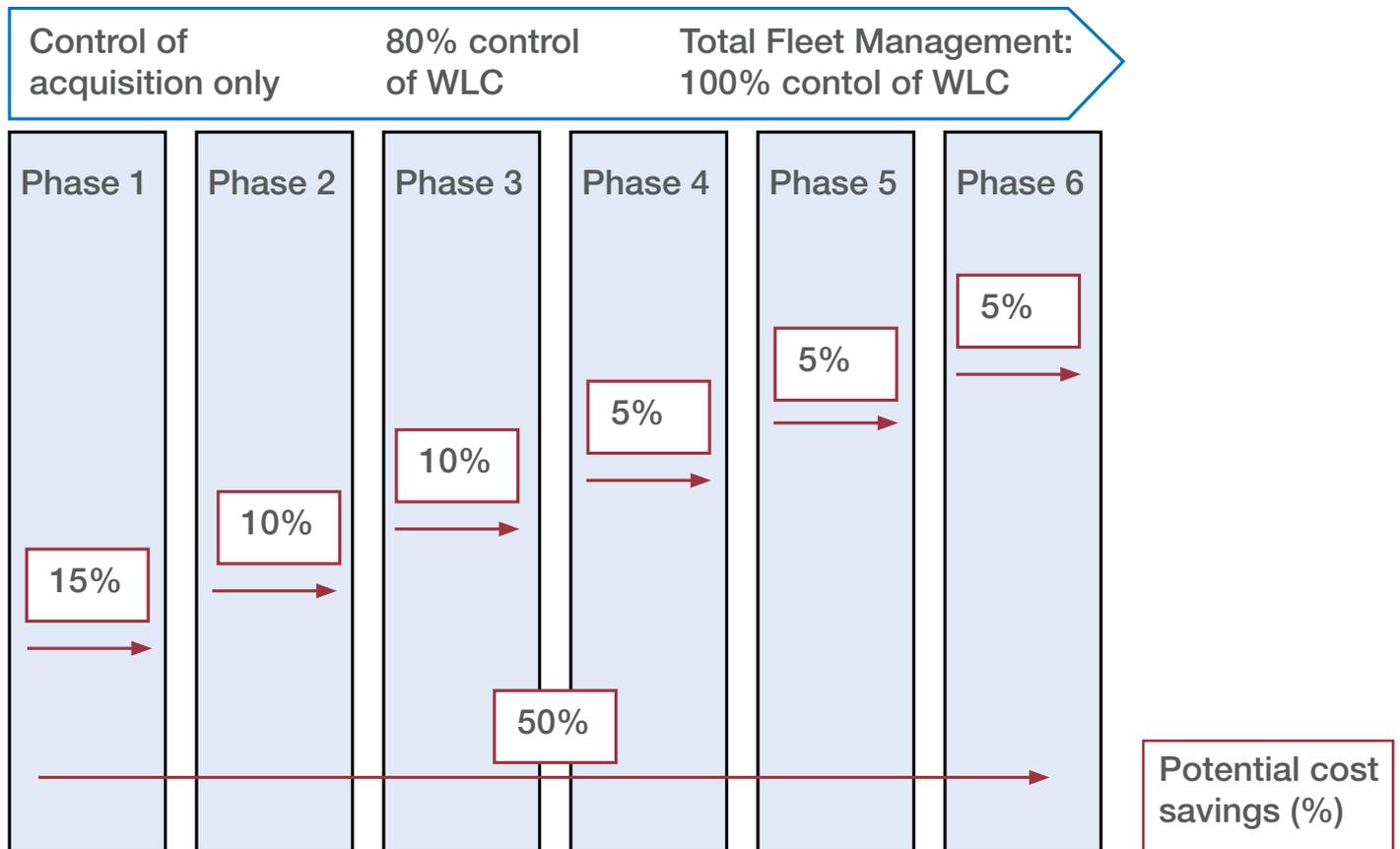
There's little point formally drafting this in the first instance though it's a good place to list your ideas, helping to formulate a flowing structure and to develop your case as it progresses.

Typical topics may include: subject matter, strategic objectives, findings, conclusions, recommendations and limitations.

***“Senior Management won't support it”***

## 2. Introduction

What is your current situation and strategy? What is your fleet profile and how has this evolved to this point? What is the end position or how are you going to get towards a **mature fleet model**?



## 3. Statement of the problem

What are the main issues that are preventing you from total cost ownership?

## 4. Discussion of possible solutions

You may wish to show you've researched alternative strategies, as telematics may not be the only option to improve your position, i.e. outsourcing some aspects of your operation to a fleet management company through [RM3710 Vehicle Lease and Fleet Management](#).

## 5. Recommendation

A brief explanation of telematics and description of the market.

What is the benefit of telematics? You could use some of the information in the benefits section of this guide and tailor information more specifically to your purposes. Information is readily available on the internet and suppliers may be able to provide some supporting evidence in the form of case studies, which are relevant to your profile and requirements.

***The majority of suppliers are SMEs***

What is the cost? This isn't too easy to answer with the range of products, services and payment options that are available and that differ greatly based on economies of scale. We are able to provide you with suppliers' framework tendering pricing (scenario based) on a STRICTLY CONFIDENTIAL basis. This pricing shows maximum installation costs and should not be a basis for direct award. You may also look at supplier websites for standard pricing information, request brochures, or have early discussions with suppliers to gauge where on the scale your requirement is likely to fall.

What other resources will be required, when and by which means? For instance, do you need to form a cross-functional team, which could meet once a week in a meeting room?

***"I'm not convinced with the return on investment"***

When is the anticipated return on investment (RoI)? We have found that for every £1 spent on telematics, it's possible to achieve a £3 cost saving. This was based on a selection of case studies and following discussions with suppliers and customers. You will need to run your own analysis and keep in mind that benefit realisation may be gradual, with the initial year requiring significantly more capital due to the cost of installation and implementation.

## 6. Details of your chosen option

You probably don't need to go into much more than a summary at this stage, but a simple Gantt chart or other visual aid can help the reader understand quickly your project plan. Keep in mind:

- Timelines for completion
- Is there more than one approvals process?
- Risk management
- Roles and responsibilities

## 7. Conclusion

What is critical to project success or failure? Consider if approved, what will be the first next step to keep the project moving?

***Will the reader have any reasons to doubt the feasibility of your request?***

# 4

## What have we already done?

**You do not have to request information on a supplier's financial standing, their environmental, health & safety and sustainability credentials or insurance levels, unless it is particular to your specific requirement. This is because it has already been done during the development of the framework.**

For a place on the framework, all suppliers have demonstrated that they.

- Meet all mandatory aspects of the specification.
- Agree to the terms and conditions of both the framework and the call-off agreement.
- Are accredited with Cyber Essentials, or ISO27001.
- Have a Quality Management System (QMS) in place; capable of delivering the goods and services applicable to this framework agreement.
- Can provide contract examples, evidencing their ability to provide telemetry goods and services.

Suppliers have also demonstrated their proficiency within customer service, continuous improvement, service delivery and capability to provide a web-based data system. (Should you wish, you can obviously ask similar questions again at call-off, as these will be specific to your requirement).

## How to use our website

[On the main framework page](#), you can navigate tabs for the following information:

- **Benefits**
- **Access**
- **Savings**
- **Background**
- **Lot details** – *includes supplier contact information*
- **Documents:**
  - **Framework agreement** – this is the agreement between CCS and the supplier.
  - **Specification (Schedule 2)** – split into mandatory (all suppliers must be capable of) and optional (not essential to be listed on the framework) requirements.
  - **Optional requirements** – a matrix of services to understand which suppliers can do each optional aspect of the specification.
  - **Specification checklist** – an optional template for highlighting which aspects of the specification are required for your organisation.

### *To help with your specifications*

### *To help with your terms and conditions*

- **Call-off procedure** – award and ordering procedure.
- **Order form and call-off terms (Schedule 4)** – the agreement between you, and the supplier. There is a template in the opening section, which you may utilise; it highlights key aspects of the terms and conditions of your call-off.
- **Call-off checklist** – this document further highlights sections of the call-off document which may require your attention.
- **[Customer briefing document](#)** – a less detailed overview guide, which includes supplier contact details.
- **Contact** – CCS contact information

# 5

## Key considerations

You may wish to consider some of these points, both before you design your invitation to quote (ITQ) and during the evaluation stage:

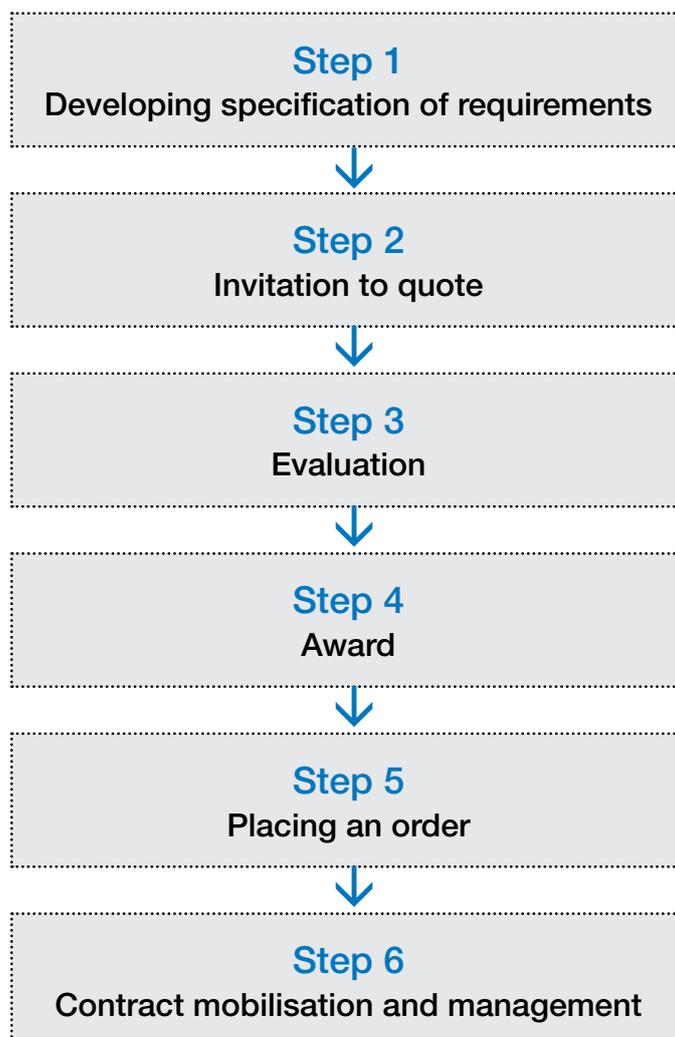
- **Commodity requirement or part of your core fleet strategy** – (less expensive) vehicle tracking, location and KPIs integrate into core fleet and organisational strategy, fleet optimisation, and asset management (more expensive but with greater savings potential).
- **Performance or technical-based specification** – weigh up the pros and cons of over and under-specifying.
- **Purchase or lease equipment** – lease is the industry standard but suppliers will mostly be able to sell equipment if you prefer the outright purchase route. If you purchase remember that you will need to pay more capital up-front but that you will gain in other areas i.e. no de-installation or damage costs and the option to use the equipment with a new contract provider once the term has finished (though it might still be necessary to install new equipment).
- **Warranty** – do you require a non-intrusive solution? Is there a risk of invalidated warranty and will you provide a clear indication to vehicle types?
- **Tamper proofing** – how important is it that drivers cannot easily disconnect equipment?
- **Access** – which members of staff requires access? On what medium?
- **Video recording** – what level of accuracy do you require?
- **Timescales** – are timelines too restrictive?
- **Performance over time** – do you need to put milestones in place for benefits realisation?
- **Data overload** – how can you avoid over reporting and data overload?
- **Benefits realisation** – would you consider a gain share agreement to improve the likelihood of benefits realisation?
- **Implementation** – how can you avoid disruption? Will fitting occur on site? Who by? When? (Vehicle downtime is usually around 1-2 hours).
- **System integration** – are any issues likely to arise? Will you need to inform other parties to proposed changes?
- **Trial** – will you require a trial before full rollout commences?
- **Payment plan** – is your plan fair (keep in mind that the majority of Telemetry suppliers are SMEs), and are timelines clear if rollout is staggered?
- **System integration** – what issues are likely to arise?
- **Whole life cost** – how can you fairly evaluate this?

# 6

## How to use the framework agreement

The '[framework agreement](#)' sets out the ordering process, which you should follow before placing an order (sometimes referred to as 'call-off') with a framework supplier. Further competitions are recommended to call-off against this framework agreement. If you would like to consider direct award, please see schedule 5 of the framework agreement for more information.

The flow diagram below sets out the process for using this agreement and information on each stage of this process is provided in the following pages:



## Step 1: Developing a specification of requirements

The specification of requirements sets out a full and accurate statement of what is required and forms part of the documentation that is sent out to all suppliers when inviting them to quote.

It has three main aims:

1. To communicate to potential suppliers what you require.
2. To provide a clear and transparent evaluation criteria for proposals to be measured against.
3. Ensure that open competition is achieved.

A good specification should include the following:

1. A clear and concise description of what is required.
2. Highlight features that are essential.
3. Opportunity for suppliers to offer technical solutions.
4. Allow potential suppliers to provide a price for the services they offer.

Before beginning a further competition you need to have a clear and concise description of the products/services that you wish to purchase.

Developing a comprehensive statement of requirement (often referred to as a 'brief') at the outset of the project is essential to ensuring overall success in the procurement.

## Pricing / cost model

You should design a pricing schedule that best fits the end requirement ensuring ease and fairness.

## Installation and contract timescales

The project timescales must allow sufficient time for potential suppliers to ask questions and submit a bid and for evaluation and contract award. These timescales should be set out in the specification of requirements.

## Evaluation criteria and weightings

All suppliers on this framework agreement have already been evaluated based upon offering best value for money at a high level. Therefore your evaluation should focus on a suppliers' capability and cost in relation to their specific requirement.

Evaluation should concentrate on the supplier's ability to best meet the outlined requirements and pricing/cost model. The evaluation weightings should be issued upfront and follow what was set out in the framework agreement:

Criteria Number	Criteria detail	Percentage Weightings - to be set by the Contracting Body conducting the Further Competition
1	Price (installation/ integration & monthly fees, other costs to consider: software upgrade/ maintenance, training, reporting, termination and disposal)	10-70%
2	Quality (i.e. lead time, technical/ customer support, fitness for purpose, safety monitoring, diagnostics, communications, interactivity, training, geographical coverage, security and reporting)	30-90%

In preparation of the evaluation stage, you should document the process you intend to follow (i.e. who will undertake the evaluation, when this will be carried out, how the ultimate decision to award a call-off agreement will be made). This will ensure there is a robust audit trail in place, helping to secure fairness and transparency in the process.

The evaluation procedure must be defined prior to the issue of the ITQ.

This should include a documented record of:

- The criteria against which you will assess the responses.
- The scores that you will apply to assess how far compliance with each criteria has been achieved.
- (If appropriate) the weighting methodology, which will ensure there is a balance in overall scores that reflects the relative importance of each criteria you are using.
- The overall basis for determining (based on the criteria, scores and weighting) which supplier response is the most economically advantageous offering. Normally this is the response with the highest overall mark.
- An indicative timetable for each stage in the further competition process.

For a complex requirement you can engage all capable suppliers before sending out the ITQ so that they:

- Understand the requirement.
- Can confirm that what you are asking for is achievable.
- Tell you if they are interested in the opportunity and are able to bid.
- Are aware of price expectations.
- Are clear of the timescales and have set aside resource to respond.

It is important to ensure that at all stages of the process you can demonstrate that it is being conducted in a fair and transparent manner to all suppliers.

### **Contract award and any additional terms and conditions required**

The specification of requirements should include timescales for award.

You may include additional terms and conditions to the call-off contract. Special terms can be used to clarify, define or redefine existing terms. The application of special terms is subject to the following:

- Special terms may be proposed only by you as the customer.
- Agreement to special terms may be sought only under the further competition procedure.
- Special terms must not be used to substantially alter the framework terms and conditions.
- Special terms must be notified in advance to all suppliers involved in the ITQ.

These guidelines are intended to be a general statement of best practice. It is appreciated that some of the recommendations are sometimes not easily employed but you should always try to generate fair competition when writing specifications.

### **Does your ITQ include sensitive or confidential information?**

When you issue your brief for a further competition, you may wish to protect the information within it from being released into the public domain.

Whilst there are confidentiality clauses in place within the call-off documentation, these do not apply until an agreement is signed with the successful agency.

Therefore, you may choose to include an additional layer of confidentiality to protect your brief and the information contained within it during the further competition phase, by using an Non-Disclosure Agreement (NDA).

If you decide that the information within your brief is sensitive you will need to put your own NDA or confidentiality agreement in place. Speak to your procurement or commercial team as they may already have a template.

## Step 2: Invitation to Quote (ITQ)

In order to assess which supplier(s) should be awarded call-off contract(s), you will now need to issue an ITQ to begin the formal competitive stage of the further competition process.

To ensure compliance with current procurement regulations, you must issue the ITQ to ALL capable suppliers (unless suppliers have previously deselected themselves at the capability assessment stage).

Details of the procurement process, timeline, award criteria and evaluation procedure must be published to all capable suppliers at the same time the ITQ is published.

The ITQ will ask suppliers to provide a response in which they demonstrate how they intend to meet your requirements as set out in the statement of requirements (brief). Subsequently you will use this information to evaluate which supplier has the most advantageous offering and should be awarded a call-off contract.

If suppliers ask any questions during the ITQ process, you must make sure that you treat all potential suppliers fairly and equally without discrimination. You must anonymise any questions received, making sure that you do not reveal the identity of the originator, or reveal any potentially commercially sensitive information relating to the originator. You must provide an appropriate response and issue both the question and answer to all participating suppliers, releasing this information to all suppliers at the same time.

**Note:** The further competition process must not be used to establish a mini framework arrangement that sits beneath this framework agreement.

You should allow a reasonable amount of time for proposals to be submitted. You can determine your own timescales and deadlines within the further competition process. Proposals must remain confidential until the response deadline has expired.

The ITQ can be published and suppliers invited to tender via our [eSourcing Suite](#). The eSourcing Suite is designed to give an auditable approach to this formal stage of the further competition process. It enables you to:

- Respond to supplier clarification questions
- Track bid responses
- Send reminders to bidders
- Communicate to successful and unsuccessful suppliers
- Provide feedback to all parties

For information on how to do this, please refer to the [eSourcing Suite user guidance](#).

### Step 3: Evaluation

After the closing date you will need to evaluate each compliant response in accordance with the evaluation criteria and procedure that were published at the start of the further competition.

Standard evaluation procedures should always be followed. All information provided by suppliers in their responses must be kept in a secure, locked place, with access strictly controlled and monitored. The eSourcing Suite offers this functionality.

It is recommended that at least three evaluators review the responses to support a fair consensus. Responses should not be discussed outside of the evaluation team and pricing information should be treated with extreme caution.

Customers must ensure that they maintain a fully documented audit trail of the results and final award decision.

If a supplier indicates that a material change in its circumstances has taken place since the original framework agreement evaluation, then this may signal that they are no longer fit to participate in the framework agreement for your particular procurement. In these circumstances the evaluation board will need to carefully consider whether to exclude the supplier from the procurement process, or to continue, provided that any risks can be mitigated.

### Step 4: Award

You can now award a call-off contract to the successful supplier(s).

Following any internal approval you may need to seek, you should notify all participating suppliers of the outcome and provide feedback, if requested by any supplier. If you have issued

your ITQ via the eSourcing Suite, you can issue these messages via the system and manage any clarification questions. You may wish to consider allowing a cooling off period before awarding the agreement.

### Step 5: Placing an order

This framework includes a standard set of call-off terms and conditions, which are the contract upon which you will order services from the supplier(s). It is this contract that sets out the legal relationship between you (the customer) and the supplier.

At the time of ordering, the supplier will need to send you a signed copy of the contract to confirm that the project has been accepted.

### Step 6: Contract management

Once the supplier has started to provide the services you should manage them to ensure they are performing to meet your requirements. We can be used as an escalation point to support you if you have any issues with under performance during the life of the contract

You can pay the supplier for services ordered from the framework agreement by BACS. Suppliers may also accept other forms of payment.

As part of our contract management function, we have the right to conduct independent auditing of suppliers' processes, procedures and application of their rates. You should contact us if you believe that any particular supplier should be audited.

## Contact Information

If you need any further support to help you to maximise procurement efficiency and value for money, please get in touch:

 [fleet@crowncommercial.gov.uk](mailto:fleet@crowncommercial.gov.uk)

 0345 410 2222

 <http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3754>

 [@gov\\_procurement](https://twitter.com/gov_procurement)

 [Crown Commercial Service](#)