**Call-Off Schedule 23 (Franking Meter Terms)**

## **1. Introduction**

## 1.1 If the Buyer has decided either to buy or to lease Deliverables under the Framework Contract using Framework Schedule 7 (Call-Off Award Procedure) and has stated in Framework Schedule 6 (Order Form Template and Call-Off Schedules) that its requirement includes buying or leasing a Meter then this Schedule will apply to the Meter until the end of the Contract Period or the end of the Lease Period (as the case may be).

## 1.2 If Call-Off Schedule 22 (Lease Terms) or the Core Terms conflict with this Call-Off Schedule 23 (Franking Meter Terms), these terms prevail in relation to any Meter or Meter Ancillaries only.

## **2. Definitions**

## 2.1 In this Schedule, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

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| --- | --- |
| **“Authorised Deposit”** | the amount the Buyer has agreed to pay the Supplier to credit the Buyer’s Pre-Paid Postage account and enable anticipated Meter resetting requirements to be satisfied as initially set out in the Order Form and amended from time to time; |
| **“Credit Limit Amount”****“Licence”** | the maximum amount of credit granted by a Supplier to a Buyer when they are paying using Postage in Arrears as initially set out in the Order Form and amended from time to time;a licence from Royal Mail Retail permitting the Buyer to use the Meter; |
| **“Meter”** | the franking and date stamping device used to show postage paid; |
| **“Meter Ancillaries”** | the date stamping dies, cables, indicia, cryptographic software and firmware, phone security codes, PSD and SAD; |
| **“Meter Reset”** | resetting the Meter to credit postage funds; |
| **“Postage in Arrears”** | the payment facility which allows the Buyer to pay in arrears for postage as more fully described in Paragraph 5.3; |
| **“Pre-Paid Postage”** | the payment facility which allows the Buyer to pay in advance for postage using a credit arrangement which enables the Supplier to do a Meter Reset as more fully described in Paragraph 5.2; |
| **“Pre-Paid Postage Amount”** | the balance from time to time of the aggregate of the Authorised Deposits and any additional payments described in Paragraph 5.2.1(b) less the amount that the Buyer has spent on postage; |
| **“PSD (Postal Security Device)”** | the device that the Supplier uses for Pre-Paid Postage security and funds management; |
| **“Royal Mail Retail”** | the trading name of Royal Mail Group Plc;  |
| **“SAD (Secure Accounting Device)”** | the Pre-Paid Postage revenue security device; and |

**“Scheme”** the Royal Mail Scheme for Franking Letters and Parcels 2018 as amended from time to time.

## **3.** **Meter Licence**

## 3.1 If the Buyer wants to buy or lease a Meter from the Supplier, the Supplier must get a Licence before delivering the Meter to the Buyer.

## 3.2 The Supplier cannot deliver a Meter to the Buyer unless the Buyer has a Licence.

## 3.3 The Buyer and the Supplier agree that the terms of the Scheme are incorporated into this Call-Off Schedule 23 (Franking Meter Terms). If there is any conflict between the terms of this Call-Off Schedule 23 (Franking Meter Terms) and the terms of the Scheme, the terms of the Scheme shall prevail in relation to any Meter and Meter Ancillaries only.

## 3.4 The Buyer must:

 3.4.1 hold a Licence at all times;

3.4.2 comply with all terms of the Licence;

3.4.3 not do or omit to do anything which might breach the terms of the Licence or give Royal Mail Retail grounds to revoke it or terminate it. The Buyer must give twenty (20) Working Days written notice to the Supplier of any such revocation or termination;

3.4.4 not make any attachment, alteration or addition to the Meter or the design or colour of any impression approved without the prior written approval of the Supplier (the Supplier cannot unreasonably withhold or delay its approval), whether so as to affect the franking or revenue recording mechanism or otherwise;

3.4.5 for a period of three (3) Months from installation (and after then in accordance with the Licence) allow the Supplier to inspect a Meter fitted with an SAD remotely as required by the Licence. The Supplier is not liable to the Buyer for any Losses or consequences resulting from the Buyer not allowing the Supplier to inspect a Meter as required by the Licence;

3.4.6 on and from the date of installation of the Meter, permit the Supplier to inspect the Meter at all reasonable times and, to enable the Supplier to do so, the Buyer must allow the Supplier entry to any premises at which the Meter may be located, and must grant reasonable access and facilities for such inspection;

3.4.7 allow the Supplier to do anything required under the terms of the Licence including:

(a) carry out inspections in accordance with Paragraph 3.4.5 above, repairs, alterations, software updates and maintenance; and

(b) supply information to Royal Mail Retail including in relation to inspections, maintenance and repairs, Royal Mail Retail’s revenue control system and Meter usage information;

3.4.8 supply the Supplier with all information required under the Licence;

 3.4.9 notify the Supplier immediately of any loss theft or damage to the Meter;

3.4.10 if the Licence is revoked or terminated cease using the Meter immediately.

## 3.5 If the Licence is revoked or terminated, the Supplier is not liable to supply or maintain the Meter on and from the date the Licence is revoked or terminated.

## 3.6 The Buyer indemnifies the Supplier against any liability incurred by the Supplier to Royal Mail Retail if Royal Mail Retail demands payment from Supplier in connection with:

3.6.1 the use by any person of the Meter without making due payment or otherwise; or

3.6.2 the Licence and/or any breach of the Licence and/or any other instruction or licence at any time given or granted to the Buyer by Royal Mail Retail relating to the Meter.

## **4.  Tariff / Postal Rate Update**

## 4.1 At all times the Buyer must have the current tariff/postal rates for inland and overseas post installed on the Meter.

## 4.2 At all times when using the Meter the Buyer must use the current tariff/postal rates for inland and overseas post.

## 4.3 The maintenance services set out in Framework Schedule 1 (Specification) or as otherwise set out in the Order Form include unlimited updates to the tariff/postal rates during the Call-Off Contract Period and the Supplier cannot make any additional charges of any kind for installing such updates on the Meter.

## 4.4 The Supplier is not liable to the Buyer for any surcharges or amounts incurred by the Buyer if the Buyer does not use the applicable correct tariff/postal rate.

## **5. Paying for Postage**

## **5.1 Payment Method**

## 5.1.1The Supplier must use the payment method for postage costs that the Buyer nominated in the Order Form or such other payment method as the Buyer may choose by giving twenty (20) Working Days’ written notice to the Supplier.

## 5.1.2 As a payment method, the Buyer may choose either:

(a) Pre-Paid Postage; or

(b) Postage in Arrears.

## 5.1.3 There is no limit on the number of times the Buyer can change payment method during the Call-Off Contract Period in accordance with Paragraph 5.1.1 above.

## **5.2 Pre-Paid Postage**

## 5.2.1 Where the Buyer has chosen Pre-Paid Postage:

## (a) the Buyer will pay an amount equal to the Authorised Deposit to the Supplier in cleared funds on the [first Working Day] of each Month;

## (b) the Buyer can make as many additional payments to the Supplier to be applied to Meter Resets at any time in its absolute discretion and the Supplier cannot make any additional charges for or in relation to any additional payments made under this Paragraph;

## (c) the Supplier must credit the Buyer’s Pre-Paid Postage Amount with each Authorised Deposit and additional payment it receives from the Buyer;

## (d) the Supplier must reset the Buyer’s Meter as required up to the credit balance of the Buyer’s Pre-Paid Postage Amount at any time;

## (e) the Buyer is entitled to unlimited Meter Resets during the Call-Off Contract Period and the Supplier cannot make any additional charges for or in relation to any Meter Reset;

## (f) the Supplier must notify the Buyer in writing of the balance of their Pre-Paid Postage Amount on demand; and

## (g) the balance of the Pre-Paid Postage Amount can never be less than £0.00.

## 5.2.4 The Parties can vary the amount of the Authorised Deposit by prior written agreement at any time during the Call-Off Contract Period.

## 5.2.5 The Supplier will not account to the Buyer for any interest earned on any credit balance of the Pre-Paid Postage Amount but will retain for the Supplier’s benefit any income accruing on the Buyer’s Pre-Paid Postage Amount.

## 5.2.6 If the Pre-Paid Postage Amount at any time equals or exceeds the amount stated by the Buyer in Framework Schedule 6 (Order Form Template and Call-Off Schedules), the Supplier must refund an amount equal to the balance between the Pre-Paid Postage Amount and the Authorised Deposit to the Buyer and the Buyer must provide the Supplier with written instructions for sending the monies to the Buyer.

## 5.2.7 The Supplier must pay an amount equal to the Pre-Paid Postage Amount to the Buyer on twenty (20) Working Days written notice of a change of payment method (by either the Buyer or Supplier) and the Buyer must provide the Supplier with written instructions for sending the monies to the Buyer.

5.2.8Any outstanding amounts due in respect of the Pre-Paid Postage Amount at the end of the Call-Off Contract (for whatever reason) shall be paid by the Supplier to the Buyer within fourteen (14) days of the end of the Call-Off Contract.

## **5.3 Postage in Arrears**

## 5.3.1 Where the Buyer has chosen Postage In Arrears the Buyer will agree the Credit Limit Amount with the Supplier and set up an account in order to receive statements of account from the Supplier.

 5.3.2 On the [first Working Day] of each Month the Buyer will receive a statement of account from the Supplier and will make a payment in respect of the Postage in Arrears for the preceding Month using the payment method described in the Order Form by the due date.

5.3.3 The payment referred to in paragraph 5.3.2 shall be a minimum of 50% (fifty per cent) of the amount owing on the statement of account.

5.3.4 If the Postage in Arrears is not paid off in full by the due date the Buyer shall pay interest on the amount outstanding (the “**Unpaid Amount**”) at the rate of 3% (three per cent) above the base rate of the Bank of England, as varied from time to time.

5.3.5 Interest shall accrue daily and shall be payable Monthly in arrears, at the same time and in addition to any payment in respect of the Postage in Arrears pursuant to paragraph 5.3.2.

5.3.6 If the Buyer fails to make any payment due under this Schedule on the due date for payment, interest on the Unpaid Amount shall accrue daily, from the date of non-payment to the date of actual payment, at 1% (one per cent) above the rate specified in paragraph 5.3.4. Interest accrued under this paragraph 5.3.6 shall be immediately payable by the Buyer on demand by the Supplier. This paragraph shall not apply in the event that at least the minimum payment described in paragraph 5.3.3 is paid.

## 5.3.7 Whenever the Buyer makes a payment under paragraph 5.3.2 the Supplier shall credit the Buyer’s Meter as required up to the credit balance of the Buyer’s Credit Limit Amount.

## 5.3.8 The Buyer can make as many additional payments to the Supplier at any time in its absolute discretion and the Supplier cannot make any additional charges for or in relation to any additional payments made under this paragraph.

## 5.3.9 The Parties can vary the Credit Limit Amount by prior written agreement at any time during the Call-Off Contract Period, but in no circumstances shall the Credit Limit Amount exceed a Buyer’s forecasted annual postage costs. If it appears that the Buyer’s forecasted annual postage costs are likely to exceed the Credit Limit Amount the Parties shall meet within fourteen (14) days to agree an action plan. The action plan may include measures to:

5.3.9.1 increase the Credit Limit Amount;

5.3.9.2 reduce the Credit Limit Amount;

5.3.9.3 require the Buyer to make a payment to ensure the Credit Limit Amount is not breached;

5.3.9.4 address how the Buyer will ensure the Credit Limit Amount is not breached for the remainder of the Call-Off Contract.

## 5.3.10 If the Parties fail to agree an action plan or a dispute arises in relation to the action plan the Parties shall resolve such dispute in accordance with Clause 34 of the Core Terms.

## 5.3.11 At the end of the Call-Off Contract (for whatever reason) the Supplier shall issue a final statement and the Buyer shall make a final payment to the Supplier with all outstanding sums due to the Supplier being paid.