



# Consultation on changes to the Access Service Request Process

**Publication date:** Friday 3<sup>rd</sup> November 2017

**Closing Date for Responses:** Friday 26<sup>th</sup> January 2018

## A. Purpose

1. Royal Mail is consulting on making changes to the process we follow when responding to new access service requests. Under the Universal Service Provider Access Condition 4 (USPA 4), **Royal Mail is required to have a process that we must apply in responding to requests for new D+2 and later than D+2 Letter and Large Letter services.** We are required to keep our process under review and consult before making any amendments.<sup>1</sup> We are also required to respond to reasonable information requests from customers considering making a new service request. Given recent developments in this area, we consider that this is an appropriate time to review and update the process. This document outlines our proposed new process and explains the rationale behind the changes.
2. We invite comments from our customers and other interested parties on the proposals in this document. The deadline for responses is 26<sup>th</sup> January 2018. We will also seek to engage with customers directly to ensure a full understanding of the views expressed. We will consider all responses to the consultation and then issue a decision document outlining the new process. We intend it to come into effect four weeks after publication of the decision. We therefore expect the new process to go live towards the start of the 2018-19 financial year.

## B. Background

3. It is important to us that the process remains fit for purpose in **meeting the needs of customers and Royal Mail.** Customers have indicated that the process could be improved both in terms of timing and transparency. Ofcom also supports a review of the process as indicated in its March 2017 Decision on the Review of Regulation of Royal Mail.<sup>2</sup>
4. To supplement our own observations on the process - gained via service requests to date - we have engaged informally with our customers to gain a better understanding of views on the current process. We have **identified the following themes:**
  - **Information** – Royal Mail should **provide clearer guidance** on what information is necessary to enable customers to complete the new access service request application appropriately.
  - **Process** – There should be **more structure** to the process. It should identify key relevant steps and their respective objective. In particular, it should cover early scoping work undertaken. It should also ensure the process is **timely and actively incentivises** both Royal Mail and the customer to move quickly when appropriate.
  - **Engagement** – There should be formalised, predictable set-piece **engagement points** throughout the process to enable effective scrutiny of the details and allow an exchange of views. This should ensure the service meets the needs of the customer and end users.
  - **Cost recovery** – Royal Mail reserves the right to recover reasonable scoping and development costs. The process must ensure customers are fully aware of costs they will likely face, before they are incurred. There should therefore be clear guidance on possible approaches Royal Mail would apply to cost recovery. In particular, this should set out the principles we will consider when determining any cost recovery mechanism and payback period.

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<sup>1</sup> We follow a separate process for managing variations to access contracts. We believe this is working well. It is outside the scope of this review and will remain in place.

<sup>2</sup> Ofcom, Review of the Regulation of Royal Mail, March 2017, Para 5.64 - *“We consider that there is now an opportunity, based on the experience of recent access product requests, for Royal Mail to carry out such a review in order to ensure the process functions effectively for both Royal Mail and access operators.”*

## C. Proposed changes

5. Below we set out our proposals to address the four challenges set out above.

### Information

#### **Proposal 1: Improve the Access Request form and associated guidance.**

6. The application form is designed to gather a range of information on the new product's operational specification and other requirements. For example, product description, sortation levels, machine reading, IT and billing requirements. We have looked to make improvements to the form and update the guidance notes.
7. The proposed changes have been designed to help customers and Royal Mail think about end customers' needs at the outset. There is also a greater focus on the product and operational specification. The changes will help **ensure we understand all aspects of the request** and help us design the solution accordingly. We continue to encourage customers to engage with us about their service requirements while completing the form. This should speed up the process by reducing the need for supplementary engagement. The proposed changes can be found in Annex A.

**Q1:** *Do you have any comments on the proposed changes or any further improvements to the Application Form?*

### Process

#### **Proposal 2: Provide greater structure to the process by splitting it into three distinct phases.**

#### **Proposal 3: Introduce process for responding to information requests to support new service requests.**

#### **Proposal 4: Introduce a “pause the clock” mechanism.**

8. Under the current process, Royal Mail encourages customers to engage and discuss their request prior to submitting an application. The clock starts on the 13 week process once the Application Form includes sufficient information for Royal Mail to begin scoping the product. During the scoping phase, a minimum of three progress updates are held with the customer, culminating in Royal Mail providing the customer the **Initial Heads of Terms by the end of 13 weeks** at the latest.
9. We consider this process is too rigid, does not facilitate iterative engagement, and potentially results in undesired and unexpected outcomes, both for Royal Mail and the requesting customer. We propose to provide greater structure to the current process to support engagement around key decision points and provide clarity around the reasonable cost we would recover during the process. Cost recovery is discussed in detail from paragraph 23.
10. We propose to **segment the request into three distinct phases** in the revised Access Request process. The current 13 week scoping process will be retained. 13 weeks would represent an upper limit on the length of time it would take to provide customers with the Initial Heads of Terms. We would look to respond more quickly to simpler, more standard requests. The phases are:
  - Phase 1 - Pre-Application Phase
  - Phase 2 - Initial Scoping Phase
  - Phase 3 - Detailed Scoping Phase<sup>3</sup>.

<sup>3</sup> This document covers the process up to Royal Mail providing Initial Heads of Terms. A “Product development” phase would follow if the customer decides to proceed with the product.

11. **Phase 1 - Pre-Application Phase (typically 2 weeks)** - We propose to formalise the Pre-Application Phase at the start of the process. Formalising it into a formal Pre-Application Phase helps to provide greater clarity on the scope and objective of this stage. The aim is to support the customer while they complete the Application Form. During this phase, we are seeking to capture the customer's solution requirements, namely the high-level service and operational specification. The following steps are proposed:
- **Acknowledgement of request** - This will provide customers with certainty that we have received their request and that they have entered the Pre-Application Phase. We will do this within three working days of the request being received.
  - **Information requests** - We recognise that **customers may need information from us while** making a request for a new service. This may be before or during the pre-application phase, while the customer is filling out an application. USPA 4.3 requires Royal Mail to respond to reasonable information requests from customers considering making a new service request and to do so in a reasonable period. The revised Application Form (Annex A) includes a section for customers to make information requests. We expect any such requests would be limited to information required to support the customer's new service request. **We will look to assist the customer, for example by providing guidance** on our processes and operations, or by reviewing the customer's assumptions on the market. We will discuss the request with the customer to ensure the requirements are understood and **respond during the Pre-Application Phase** in a timely manner. In some cases, the information requested may be **commercially sensitive and confidential to Royal Mail**. In those circumstances, we may need to aggregate or anonymise information before it can be shared. We may also need to put in place ring-fencing restrictions, limiting the number of individuals who have access to the relevant commercially sensitive information. There may also be concerns if information is provided only to the customer requesting the service, which could place them at a material commercial advantage over other access customers. There may, therefore, be instances where it is not possible for Royal Mail to provide the customer the information requested. We would engage early with the customer if we consider there to be concerns around any request.
  - **Formal acceptance of a completed Application Form** - We may need clarification of some information in the Application Form before we have sufficient information to commence the 13 week process. Once we have all of the information necessary to begin processing the request the application form will be accepted. We will formally alert the customer that they have entered the Initial Scoping Phase.
12. During the Pre-Application Phase, Royal Mail is dependent on the customer to provide relevant information. We therefore do not propose to start the clock on the formal 13 week product scoping process at this point. From our experience, we believe it is in the best interests of both customers and Royal Mail to allow sufficient time to clarify the customer's requirements rather than include an arbitrary deadline. This phase would therefore **fall outside the 13 week timeline**.
13. **Phase 2 - Initial Scoping Phase (typically 1 - 2 weeks)** - Once we formally accept a completed Application Form, the clock would start on the 13 week timeline. The aim of the Initial Scoping Phase is to provide the customer with an **Outline Service Specification**. This will give the customer an early indication of the **costs they are likely to incur - at a high level - and an indicative timeline to develop the service, before the customer is subject to any financial outlay**. The cost estimates and timeline will be based on our initial

assessment of the information gathered in the Pre-Application Phase. Royal Mail will provide this information upfront and absorb the cost of work undertaken during this phase. The estimates provided may be subject to change once more detailed analysis has been undertaken during Phase 3.

14. The Outline Service Specification will set out the following information:<sup>4</sup>

- **Indicative scoping cost** – We will provide an indication of the scoping costs the customer is likely to face if they decide to proceed and enter the Detailed Scoping Phase (see below). This indicative scoping cost will act as a ceiling. If costs are lower, the customer would only be charged for the reasonable external costs incurred. We will absorb any additional costs above and beyond the initial scoping cost we set out.
- **Indicative range for development cost and timeline** – It is important that the customer gets an early sense of the complexity associated with developing the new service in practice. For example, IT build or operational change timelines. We will therefore also provide a rough indication of the development costs and timeline that the customer is likely to face if they authorise us to proceed to the Detailed Scoping Phase.<sup>5</sup> We propose to operate an “open book” on our costs where appropriate, whereby customers can scrutinise the costs themselves or, if there are concerns around commercially sensitive information, commission an independent third party to do so. More details on this proposal can be found in the Cost Recovery section below.

15. Once Royal Mail has provided the Outline Service Specification to the customer, this is a **Go / No-Go decision point** for the applicant. As such, there will be an **automatic “pause in the clock”** on the 13 week timeline. Pausing the clock benefits the customer by allowing them sufficient time to conduct a thorough review of the Outline Service Specification. It also allows time for further interaction and engagement if required by the customer. The clock will start again once the customer provides authorisation they wish proceed to Phase 3 – the Detailed Scoping Phase.<sup>6</sup>

16. **Phase 3 - Detailed Scoping Phase (typically 11-12 weeks)** – If the applicant decides to proceed with the request on the basis set out in the Outline Service Specification, we then enter the Detailed Scoping Phase. This is the longest phase of the process, where the majority of the product specification work is undertaken. The aim of this phase is to provide the customer with Initial Heads of Terms. The Initial Heads of Terms will set out the cost and timeline to develop and deploy the product. It will also set out the approach to cost recovery.

17. To do this, we need to undertake a number of steps. We will undertake a more detailed product and operational specification exercise. For example, determining the data flows and billing solution requirements. Depending on the complexity of the request, we may need to analyse IT systems requirements. This is likely to include an impact assessment and obtaining IT development cost from external IT suppliers. We would also consider the potential approaches Royal Mail might use to recover development cost.

18. During this phase, Royal Mail may need to send the customer information for comment or questions to respond to. This is to ensure we are developing the service in line with the needs of customers and end-users. We therefore propose to introduce a **pause the clock mechanism**. We will provide the customer a given period of time to respond to the information requests while the clock keeps running on the 13 week product

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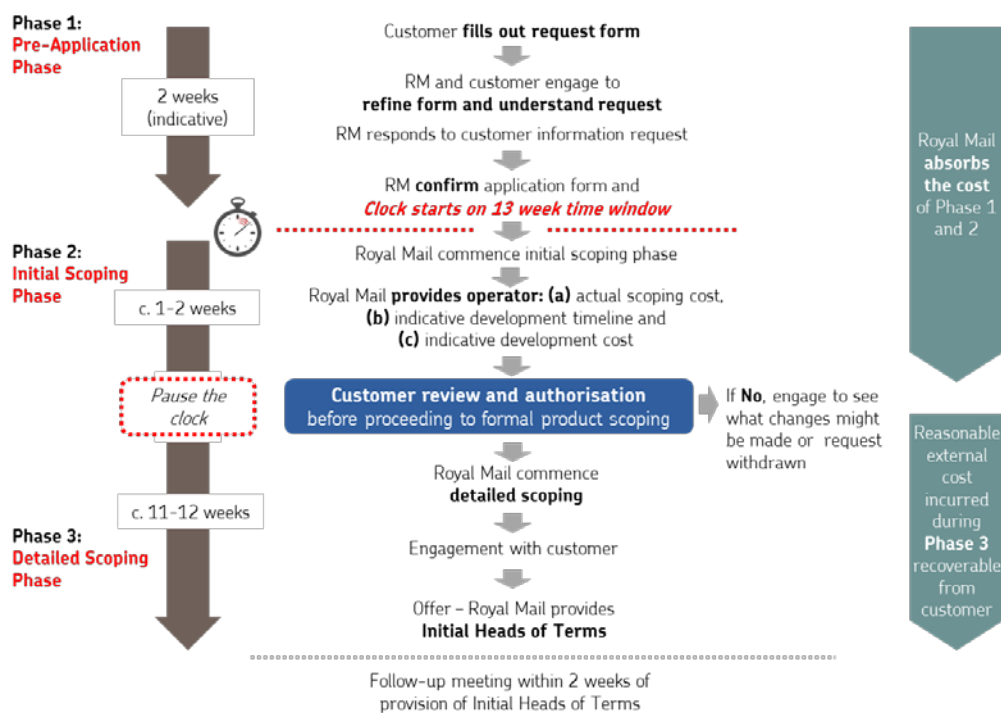
<sup>4</sup> Indicative costs are without prejudice and subject to contract.

<sup>5</sup> The range of developments costs for example could be: £0-1m; £1-5m; £5-10m; >£10m. The range of development timelines could be: 0-6 months; 6 months- 1 year; 1-2 years; >2 years.

<sup>6</sup> Royal Mail will require a formal commitment from the customer, in writing, that they are prepared to incur scoping cost set out in the Outline Service Specification.

scoping process. We propose a response time of a minimum of two days up to a maximum of one week, depending on the volume of detail. If the customer cannot respond by the end of the allowed time, the clock would pause until the relevant information is received. Introducing this mechanism will allow time for a response and discussions if necessary. It will also allow the customer to propose potential alternative solutions without putting the 13 week timeline at risk.

19. The review and feedback process could result in significant changes being required. Modifications that change the specification could result in additional work – and therefore additional time – for Royal Mail to re-design proposals. In line with the existing process, in such instances, **we might need to agree reasonable extensions to the timeline with the customer.** If the changes are fundamental, we reserve the right to restart the process.
20. As is currently the case, there will be no requirement for the final terms and conditions to be contractually agreed at the end of the 13 week product scoping process. Our experience has shown that there will inevitably be discussions about the final details. For example, the customer might want to conduct further analysis. **Royal Mail would commit to have a follow-up meeting with the customer within two weeks of providing the initial heads of terms.** Subsequent engagement beyond the initial follow-up meeting would depend on the context and nature of the new service request.
21. A figure summarising the proposed new process is shown below.



**Q2:** Do you have any comments on our proposed reforms to the process, including the three phase approach and each phase’s objective, the pause the clock mechanism, retaining the 13 week product scoping timeline or our process for responding to information requests?

## **Engagement**

### **Proposal 5: Formalise set piece engagement at key stages during the process**

22. We propose to formalise **set-piece engagement with the customer**. This will enable effective scrutiny of the details as well as providing an opportunity to exchange views to ensure the service meets the needs of the customer. It is crucial that the service we are developing is in practice what the customer wants. The level of informal engagement will therefore flex with the complexity of the request. The formal engagement points are as follows:

#### **Key engagement milestones**

<b>Phase</b>	<b>Engagement</b>	<b>Timeline</b>	<b>Description</b>
<b>Pre-Application Phase</b>	Work with the customer to complete the Application Form.	Within 1 -2 weeks of receiving request (NB: this is outside the formal timeline)	The customer and Royal Mail work together to ensure the requirements for the product are understood. The level of engagement will depend on the level of complexity of the request. This includes any information requests from the customer submitted under USPA 4.3.
<b>Completed Application Form - Clock starts on 13 week product development process</b>			
<b>Initial Scoping Phase</b>	Meet the customer to ensure the Outline Service Specification meets customer requirements.	By end of Week 2 (indicative)	Royal Mail sends the customer the Outline Service Specification. The clock pauses. This gives customer early sight of the timescales and cost of scoping and developing the service.
<b>This is a Go / No-Go decision point for the customer. The clock restarts once the customer confirms they wish to proceed.</b>			
<b>Detailed Scoping Phase</b>	Progress update.	By the end of week 8	A formal review meeting to discuss the status of the request.
<b>Send the Initial Heads of Terms to customer. Commercial negotiations commence.</b>			
<b>After request process is complete</b>	Meet to discuss Initial Heads of Terms.	Within 2 weeks of providing Initial Heads of Terms	Royal Mail will meet the customer at the earliest convenience.

**Q3:** *Do you have any comments with our proposed engagement milestones? What alternatives, if any, would you suggest?*

## **Cost recovery**

### **Proposal 6: We propose to recover reasonable external scoping costs incurred during Phase 3. We also propose to recover external costs and some internal costs should the customer proceed to full product development.**

23. Below we set out what costs we would - and would not - seek to recover. We then set out the features of our proposed mechanism for cost recovery and principles we will follow when determining a fair and reasonable mechanism to use.
24. We recognise the need for there to be clarity on the basis Royal Mail will seek to recoup scoping and investment costs with any new product development request. We believe it would be beneficial to provide customers with an indication of the costs they are likely to face. We believe this approach is fair and reasonable.

### *Complexity of the request*

25. Royal Mail's Wholesale team is set up to run and manage access services on a day-to-day basis. Part of the team's responsibilities is managing new service development requests. Customers contribute towards the costs of the team through access prices.
26. Some requests may be more complex than others. They might require **additional activity to develop the service** – such as changes to our systems or processes – which is a direct result of the service being requested and would not otherwise be needed. This could include activity with external providers – such as external IT consultants – or activity with internal teams outside of Wholesale – such as our Operations or IT teams. The cost associated with this external or internal activity could be material. It may arise even where a similar Retail product already exists. For example, activity required to integrate IT systems.

### *Costs we would recover*

27. Our proposals on cost recovery are summarised in the table below.

#### **High-level summary of cost Royal Mail and Customer would pay**

	<b>RM Internal Cost (Wholesale and Group)</b>	<b>RM Internal Cost (Additional activity<sup>7</sup>)</b>	<b>External cost</b>
Phase 1 - Pre-Application	Royal Mail	Royal Mail	Royal Mail
Phase 2 - Initial Scoping	Royal Mail	Royal Mail	Royal Mail
Phase 3 - Detailed Scoping	Royal Mail	Royal Mail	Customer
Full product development	Royal Mail	Customer	Customer

- Phase 1 and 2 - Royal Mail will **absorb any costs incurred prior to providing the customer with the Outline Service Specification**, during the pre-application and initial scoping phases. In effect, the customer would not pay for the work we undertake in Phase 1 or 2.
- Phase 3 - We expect that responding to standard requests – which do not require fundamental changes to our systems or processes – would not require additional internal activity or external cost during Phase 3. They would therefore be covered by customers' existing contributions.

Where requests are more complex and require additional activity, we **would seek to recover any reasonable scoping costs** incurred once the customer confirms they wish to proceed to the Detailed Scoping Phase. In effect, the customer or customers requesting the new product would pay for the **external costs of any work undertaken in Phase 3**. Reasonable costs incurred would be recovered, irrespective of whether the customer or customers decide to proceed to full product development.

- Full product development - We would look to recover both reasonable external and internal development costs incurred if the customer wished to progress to full product development. We will operate an "open book", whereby customers can commission independent third parties to scrutinise the costs if they wish to do so.<sup>8</sup>

28. Royal Mail believes it is appropriate that these costs can be recovered from the customers who lead to the costs being incurred, instead of absorbing them into access prices. This ensures that customers who will not use the service do not incur higher prices.

<sup>7</sup> For example, IT or Operations

<sup>8</sup> The third party must agree to sign an appropriate non-disclosure agreement (NDA).



29. These proposals ensure **customers can explore potential new services with no upfront cost or investment**. Royal Mail would absorb costs incurred in Phases 1 and 2 to ensure customers are not hindered from exploring new product requests. Providing the Outline Service Specification allows the customer to make an informed decision whether to proceed to the Detailed Scoping Phase (Phase 3), in advance of investment being undertaken. This **reduces the risk of stranded investment costs**, should the customer not wish to proceed with the proposal.

*Features of cost recovery mechanism and principles we will use to determine a fair and reasonable approach.*

30. Royal Mail has a limited budget for investment expenditure. In line with other companies, we must prioritise the projects we select for investment based on their overall payback and level of risk. The level of risk associated with the investment required to provide a new access service requests – which we may not have been expecting and so may not be budgeted for – may be higher than projects in our portfolio. At the same time, we are obliged to meet our regulatory obligations. **Where a new service request requires material investment, the mechanism and length of time to recover the costs would need to reflect the level of risk**. For us to prioritise our scarce investment resources, we may require a firm commitment from the customer to ensure that we do not have stranded investment. This is particularly pertinent in cases where there is uncertainty around the volumes.

*Q4: Do you have any other suggestions on how Royal Mail could recover scoping and development costs incurred from new service requests?*

**Proposal 7: Apply a principles-based approach when determining a fair and reasonable cost recovery mechanism.**

31. We will act in a fair and reasonable manner when considering how to recover scoping and development costs. When responding with Initial Heads of Terms, we will clearly set out to customers our proposals on cost recovery, prior to costs being incurred. **We expect our cost recovery approach would cover the following key features:**
- **Mechanism** – The mechanism used for recovery could include any or all of the following: per item price; an indemnity should the volumes projected by the applicant not materialise; a lump-sum upfront payment; a series of standalone payments during the scoping or development phase or once the service has been deployed.
  - **Contributors** – The costs may be charged to the applicant(s) or all customers, depending on who is causing the cost and who is benefitting from the services. Should other customers request use of the new service, a new payment arrangement may be organised in order to seek appropriate compensation from the new customer.
  - **Payback period** – The payback period will be fair and reasonable. For example, it may take into account a variety of factors, including the level of risk, the life of the product or asset, the size of the outlay and expected demand for the product.

*Principles we would follow to determine approach to cost recovery.*

32. There are a number of factors that could influence our approach to cost recovery. In determining the right approach, we will have regard to the following principles:

- **Cost causation** - Costs will be recovered from those whose actions cause the costs to be incurred. For example, if the request requires significant IT changes to Royal Mail systems, it is likely that this will be charged back to the applicant.
- **Distribution of benefits** - Costs should be recovered from the beneficiaries of the new service. For example, if a range of customers (including possibly Royal Mail itself) benefit from the new service, the costs may be spread among all the relevant customers, not just the specific applicant.
- **Cost minimisation** - The mechanism for cost recovery should ensure that there are strong incentives to minimise costs. For example, we will use consultants from our Procurement Framework Agreements. These agreements include rates Royal Mail has agreed with a panel of consultants following a rigorous competitive procurement process. This will therefore allow customers to benefit from the rates we use for internal projects. We are unlikely to be able to provide customers full disclosure or full cost breakdown, as it will likely include commercially confidential information. However, we will operate an “open book”, whereby customers can commission independent third parties to scrutinise the costs if they wish to do so.<sup>9</sup> Any such audit would be undertaken at the customer’s expense.
- **Practicability** - The mechanism for cost recovery needs to be practicable and relatively easy to implement.
- **Level of risk** - In determining the payback mechanism and period, we will take account of the size and risk profile of the investment outlay. This is likely to depend on, amongst other things, certainty around the associated mail volumes.

*Q5: Are there any other principles we could follow when determining the mechanism for cost recovery?*

*Q6: Are there any other aspects of the request process or proposed changes that you wish to comment on?*

## **D. Next steps**

33. Royal Mail views this consultation as a very important step in the process to refine and develop the Access framework. We invite comments from our customers and other interested parties on the proposals in this document. The deadline for responses is 26<sup>th</sup> January 2018. We intend to engage with customers during the consultation period.
34. Following the closure of the consultation, we will consider all responses and then issue our decision document. Please provide a completed cover sheet available in **Annex B** with your response. We may publish responses in full or in part on our website. If you would like your response or parts of your response to remain confidential, please indicate this on the cover sheet. We expect the new process to go live towards the start of the 2018-19 financial year.

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<sup>9</sup> The third party must agree to sign an appropriate non-disclosure agreement (NDA).

## Annex A: Draft USP Access Request form

### USP Access Request Form and Guidelines

#### Introduction

Under the Universal Service Provider Access Condition 4 (USPA 4), Royal Mail is required to have a process for responding to access requests for new D+2 and later than D+2 Letter and Large Letter services. Completing the attached Request Form is the first step in the process. We are also required to respond to reasonable information requests from customers considering making a new service request. To provide wider context on the entire process, below are Guidelines that set out the broad phases that a request will go through.

#### Guidelines

Royal Mail follows a three phase process when managing a new request:

- 1) **Phase 1 - Pre-Application Phase** - Royal Mail uses a completed Application Form to identify the customer's access service requirements. During this phase, we use our experience to support you in completing the form. This can typically take 2 weeks.
- 2) **Phase 2 - Initial Scoping Phase** - Before you face any financial outlay, we want to provide an early indication of the costs you are likely to face alongside an indicative timeline for developing the service. We capture this information in an Outline Service Specification, which we aim to send to you in 1 to 2 weeks. The cost estimates and timeline will be based on our initial assessment of the information gathered in the Pre-Application Phase.
- 3) **Phase 3 - Detailed Scoping Phase** - If you decide to proceed with the request, Royal Mail will then conduct a detailed product scoping exercise. The aim of this phase is to provide you with Initial Heads of Terms, setting out the cost and timeline to develop and deploy the product. It will also set out the approach to cost recovery. Given this phase can involve significant IT and Operational scoping work, it can take up to 12 weeks.

Overall, the scoping process takes up to 13 weeks at the end of which we provide our customers with Initial Heads of Terms. All information is treated in strict commercial confidence throughout. During Phase 1, we are dependent on the customer to provide the relevant information. This phase therefore falls outside the 13 week timeline. The clock formally starts at the beginning of Phase 2, once we have confirmed the Application Form is complete. We then begin scoping the product. The clock will only pause thereafter when we are dependent on you for further information. For example, when we send through the Outline Service Specification or other substantive information/questions for review or comment.

In terms of costs, we absorb anything incurred during Phases 1 and 2 - you will not face any financial outlay. We do, however, recover reasonable external scoping costs if you decide to proceed to Phase 3. We use a principles-based approach when determining a fair and reasonable cost recovery mechanism.<sup>10</sup>

Ongoing engagement is crucial to get to the right solution. As a minimum, we engage you at the following points:

- During the Pre-Application Phase to work with you to complete the form and respond to information requests
- After the Initial Scoping Phase to ensure the Outline Service Specification meets your needs
- During the Detailed Scoping Phase, we hold a formal progress update by end of Week 8
- Shortly after the request process is complete to discuss the Initial Heads of Terms.

<sup>10</sup> Please see the Decision Document **XXXXX** for more information on these principles.

## Request Form

Sections 1 to 6 of the form must be completed. Additional information can be requested and provided in sections 7 and 8. Please fill in a separate request form for each new service. We strongly recommend that you contact us prior to the submission of your form to discuss the service requirements using the following address: [enquiries@royalmailwholesale.com](mailto:enquiries@royalmailwholesale.com)

### 1. Customer Details

Please provide contact details for one or more employees who will be dealing with the request.

<b>Name</b>		
<b>Job Title</b>		
<b>Company</b>		
<b>Contact Details</b>	<b>Telephone No</b>	
	<b>Mobile</b>	
	<b>e-mail</b>	

### 2. Service Description

In this section, we are seeking to understand the end-to-end customer journey and operational features of the product. This is to help us design the solution accordingly. It is important you provide sufficient detail on your requirements to enable Royal Mail to fully understand the request and carry out the scoping exercise.

<b>Background</b>	Please provide some context for the service being requested eg. an explanation of the opportunity you have identified.
<b>Objective of the product</b>	Please provide a description of the key service features. For example, Mailmark management information.
<b>Description of operational features from the service</b>	<p>Please provide a description of:</p> <ol style="list-style-type: none"> <li>1. The full end-to-end journey for the posting customer</li> <li>2. How the mail will be handed over to Royal Mail</li> <li>3. Requirement of Royal Mail when             <ol style="list-style-type: none"> <li>I. Handling the service</li> <li>II. Delivery requirements (if applicable)</li> </ol> </li> <li>4. Please identify similarities and/ or differences from existing Royal Mail products.</li> </ol>

<b>Service level standards</b>	Please provide any operational and non-operational service level requirements you expect from the product. For example, delivery obligations, data provision, reporting, complaints management or revenue protection.
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### 3. Points of Access and Access Times

In this section, we are seeking to understand where, when and how the customer intends to access Royal Mail's network. In particular, we are seeking to understand where the required service differs from existing arrangements.

<b>Access point</b>	<p>Please tick the box below to indicate the point where you wish to access Royal Mail sites:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">Inward Mail Centre</td> <td style="width: 40px; height: 15px;"></td> </tr> <tr> <td style="padding: 2px;">Other</td> <td style="width: 40px; height: 15px;"></td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>If you ticked other and your requirement is for Access at somewhere other than an Inward Mail Centre, please provide details of your requirements:</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>If you are requesting Inward Mail Centre access but do not require access at all sites, please provide details of your requirements:</p> </div>	Inward Mail Centre		Other	
Inward Mail Centre					
Other					
<b>Day(s) of week</b>	Please indicate which days of the week you anticipate accessing each Royal Mail site.				
<b>Time(s) of day</b>	Please indicate the time of day you anticipate accessing each Royal Mail site.				

#### 4. IT and Billing Requirements

In this section, we are seeking to understand any specific IT interface requirements the customer may have for the new service. We are also seeking to understand any information the customer intends to provide Royal Mail for billing purposes.

The type of data required and how data is shared is likely to be critical to the design of the service and the timeframe to develop the product.

<b>Data exchange, IT interface and reporting requirements</b>	<p>Please provide details of the IT and data interface arrangements you require. Royal Mail requires customers to share data for billing and reporting purposes. Dockethub and EHMS are the systems used as standard by Royal Mail Wholesale.</p> <p>Please provide a description of your data exchange requirements, including billing and reporting. Please highlight where you think there are differences or similarities to existing service arrangements.</p>
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#### 5. Item Description and Presentation Standards

In this section, we are seeking to understand how mail will be presented to Royal Mail. The type of mail handed over will impact handling costs. The information provided will therefore allow Royal Mail to estimate the cost of the service.

<b>Format</b>	<p>Please tick the format(s) relevant to your access request:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Format</th> <th rowspan="2">Tick all that apply</th> <th colspan="3">Volumetrics</th> </tr> <tr> <th>Ave</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Letter</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> </tr> <tr> <td>Large Letter</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Parcel</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li><b>Letter</b> means an item which is no larger than C5+ (165mm x 240mm) and no thicker than 5mm. Minimum size is 70mm x 100mm and minimum thickness is 0.25mm. Letters must weigh between 0 - 100g.</li> <li><b>Large Letter</b> means an item which is no larger than 353mm X 250mm and no thicker than 25 mm. Large Letters must weigh between 0 - 750g.</li> <li><b>Parcel</b> means an item whose maximum dimensions, if rectangular, are no larger than 610mm x 460 mm x 460mm or, if cylindrical, has a maximum length of 900mm In addition, the item's length when added to twice the diameter must not exceed 1040mm. Parcels must weigh between 0 - 2kg.</li> <li><b>Volumetric</b> means the size in litres of an item. For example, 250mm x 400mm x 30mm = 3.0 litres.</li> </ul>	Format	Tick all that apply	Volumetrics			Ave	Min	Max	Letter	<input type="checkbox"/>				Large Letter	<input type="checkbox"/>				Parcel	<input type="checkbox"/>			
Format	Tick all that apply			Volumetrics																				
		Ave	Min	Max																				
Letter	<input type="checkbox"/>																							
Large Letter	<input type="checkbox"/>																							
Parcel	<input type="checkbox"/>																							

<p><b>Sortation</b></p>	<p>Please tick the sortation level(s) you will be presenting as or give details if your required sortation levels are different:</p> <table border="1" data-bbox="472 259 1254 376"> <tr> <td>70</td> <td></td> </tr> <tr> <td>1400</td> <td></td> </tr> <tr> <td>Other (please specify)</td> <td></td> </tr> </table> <p><b>Access 70</b> - a sortation level for machineable letters and non-machineable letters, large letters and parcels. It requires customers to pre-sort their mail into 86 postcode selections prior to handover to Royal Mail.</p> <p><b>1400</b> - a service for machineable letters and non-machineable letters, large letters and parcels. It requires customers to sort their mailing (letters, large letters or parcels) into approximately 1529 selections.</p>	70		1400		Other (please specify)					
70											
1400											
Other (please specify)											
<p><b>Machine reading</b></p>	<p>Please tick the machine readability option(s) you will be presenting:</p> <table border="1" data-bbox="472 696 930 813"> <tr> <td>Mailmark</td> <td></td> </tr> <tr> <td>OCR</td> <td></td> </tr> <tr> <td>Manual</td> <td></td> </tr> </table> <p><b>Machine reading</b> We have two machinable services which will offer additional price savings if your Letters or Large Letters can be machine read:</p> <ul style="list-style-type: none"> <li>• Mailmark barcode</li> <li>• OCR</li> </ul> <p><b>Manual</b> We offer a manual service for items which cannot be machine read</p>	Mailmark		OCR		Manual					
Mailmark											
OCR											
Manual											
<p><b>Item weight</b></p>	<p>Please provide as much detail as possible in relation to the weight range and maximum weight.</p> <p>Please tick the weight(s) you will be presenting:</p> <table border="1" data-bbox="472 1279 930 1464"> <tr> <td>Up to 100g</td> <td></td> </tr> <tr> <td>101 – 250g</td> <td></td> </tr> <tr> <td>251 – 750g</td> <td></td> </tr> <tr> <td>751 – 1000g</td> <td></td> </tr> <tr> <td>1001 – 2000g</td> <td></td> </tr> </table> <div data-bbox="400 1541 1366 1682" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Please provide as much detail as possible in relation to the weight range and maximums:</p> </div>	Up to 100g		101 – 250g		251 – 750g		751 – 1000g		1001 – 2000g	
Up to 100g											
101 – 250g											
251 – 750g											
751 – 1000g											
1001 – 2000g											
<p><b>Additional information</b></p>	<p>Please specify any additional information relevant to the description and presentation of your mail.</p>										

## 6. Posting Volumes by Format

In this section, we are seeking to understand the expected demand for the service. This will have an impact not only on how we scope the technical specification but also likely the costs and price of the product.

<b>Volume by year</b>	Please specify anticipated annual volumes by format for the first 3 years. Please provide your view on the degree of certainty around the volume forecasts. For example, a minimum and maximum range.				
		Letters	Large Letters	Parcels	Annual Totals
	Year 1				
	Year 2				
	Year 3				
	Format Totals				
	We would welcome any information you are able to share on the calculations or assumptions that underpin your volume forecasts or the degree of certainty around them.				
<b>Volume by day</b>	Please specify anticipated daily volumes by format. Where volumes are expected to differ by day, please indicate and include known variations.				
<b>National or regional profile</b>	Please indicate whether the geographic profile for delivery is likely to be national or based on a specific zone, region or city.				

## 7. Information Requests

Royal Mail is required to respond to reasonable information requests from customers considering making a new service request. We would look to respond to requests during the Pre-Application Phase.

Please detail any information requests below.

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## 8. Additional Information

This section provides the customer an opportunity to any other information which might be useful to Royal Mail in constructing a specification and price. Please use a separate form if required.

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## For Royal Mail use

<b>Date Application Form received</b>	
<b>Date Royal Mail confirm Application Form and clock starts on 13 week product scoping exercise.</b>	



## Annex B

Cover sheet for response to a Royal Mail consultation.

### BASIC DETAILS

Consultation title            Consultation on changes to the Access Service Request Process

To (Royal Mail contact)    Mike Haskins, [mike.haskins@royalmail.com](mailto:mike.haskins@royalmail.com)  
Royal Mail, 185 Farringdon Road, London, EC1A 1AA

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

### CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Name/contact details/job title             .....

Organisation     .....

Whole response                                         .....

Part of the response                                 .....

If there is no separate confidential annex, which parts?

.....

If you want part of your response, your name or your organisation not to be published, can Royal Mail still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

YES/NO (please delete as appropriate)

### DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Royal Mail can publish, subject to any declaration in the confidentiality section. If I have sent my response by e-mail, Royal Mail can disregard any standard e-mail text about not disclosing email contents and attachments.

Royal Mail may like to publish responses for the purposes of transparency.

If your response is non-confidential (in whole or in part) and you are happy for us to publish your response once the consultation has ended, please tick here.   

Name

Signed (if hard copy)

Date: