

# Supplier Travel Policy

## Introduction

The 'Supplier Travel Policy' is defined to provide guidelines for travel expenses incurred during business trips by all External Travellers/ Consultants/ Interims/ Contractors/ Trainers/ Suppliers that are travelling at Serco's expense.

For the purposes of this Policy, the 'External Traveller' refers to any representative/External Traveller of a Supplier who travels on behalf of Serco and the incurred costs associated with that trip are then invoiced to Serco for reimbursement.

A 'Travel Expense' is defined as a cost incurred by the External Traveller which is outside the daily working rate and is incurred exclusively and necessarily in connection with the proper and efficient execution of the role/performance of services on behalf of Serco.

Serco will only reimburse travel expenses to an External Traveller when the proposed budget for travel costs has been agreed contractually and submitted for approval to the agreed Serco authorised contact person.

Suppliers are responsible for the fulfilment of any and all obligations and tasks as an employer that is applicable to any country specific laws or regulations where they provide services to Serco. This includes but is not restricted to liability to fulfil and take care of all work permit issues, company and individual tax liabilities as well as social security and pension contributions, unless otherwise required by local legislation.

The Supplier shall also pay any taxes or levies imposed on it according to applicable laws, regulations and tax treaties in relation to the travel expenses and reimbursements.

**Failure to adhere to this Serco 'Supplier Travel Policy' could result in non-payment of travel expense claims to the External Traveller.**

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## GENERAL

The objectives of this policy are to ensure that all business trips undertaken by External Travellers for Serco-related assignments support Serco business goals and are implemented in a safe and cost effective way.

This Policy is not meant to regulate every possible exceptional situation. Safety, consistency, common sense and cost awareness will be considered when decisions need to be taken which have not been anticipated or addressed in this Standard. Guidance should be sought from a Serco Divisional Manager where a deviation is deemed necessary.

Serco expects External Travellers to: keep all cost to a minimum while working on projects/ contracts for any part of the Serco Group; display the highest levels of integrity and professionalism in all areas of expenses; and apply vigorous attention to detail in the records it keeps.

All Travel reservations should be booked in advance through Serco Travel (where possible) to take advantage of the lowest logical airfares and discounted hotel rates that may be available. If it is not possible for the traveller to book through Serco Travel, the External Travellers must still adhere to the guidelines set out in this Policy.

Serco reserves the right to audit the Supplier records relating to travel expenses charged to Serco at any time.

The Supplier must retain electronic records of all approved and reimburse Serco travel expense claims for a minimum of five (5) years.

## SCOPE

A business trip is defined as a trip taken by an External Traveller on behalf of Serco to perform business-related activities outside his/her normal assignment base/premises.

Where possible Serco projects/contracts will be resourced by the External Travellers from the Supplier, whose home office is located within a daily commutable distance of the Serco project/contract's home office. Where a Supplier chooses to bring a resource in from another country/location, this should be identified to Serco for approval prior to utilisation. Serco reserves the right to reject the candidate and/or refuse to pay the additional costs incurred due to the Suppliers inability to provide resource from the local market.

Except for air tickets, transportation (for e.g. taxi/car rental from airport), hotel accommodation and any agreed per diems (set out in a signed Statement of Work), any other travel expenses that the External Traveller incurs, are part of the external companies' cost base and are to be included in the hourly fees or other type of service prices provided and therefore cannot be charged separately to Serco. This includes visa and passport fees/charges.

Exceptions to this Supplier Travel Policy must be authorized by Serco in advance and only under exceptional circumstances before any business trip is purchased.

## 1. Booking travel

- S1. Business travel should be planned as far as possible in advance, to qualify for the lowest possible fares.
- S2. All travel bookings should be made at least 14 days in advance through the Serco Travel Team (if this is possible). This includes booking air, accommodation and car rental reservations at the same time.
- S3. Air and train tickets should be booked as non-flexible, non-refundable by default, except where they not available or exceptional business circumstances dictate otherwise
- S4. Complex multi-destination trips must be booked via phone/email with the Serco Travel Team in order to achieve the best available fares

## 2. Cancellation of booked travel arrangements

- S5. Where travel arrangements require cancellation, the External Traveller will inform Serco Travel Team immediately in order to minimise or avoid unnecessary cancellation fees

## 3. Air Travel

- S6. All External Travellers must accept the Lowest Logical Fare (LLF) at the time of booking using the most direct route. There may be instances whereby a restricted ticket with a non-preferred airline or a low cost carrier is the most cost effective option for a trip, and therefore this ticket must be booked.
- S7. Incentives (monetary or otherwise) are not permitted for External Travellers booking a lower class of service or voluntarily accepting cash in lieu of taking another flight, should the flight be full. Purchasing a fully published fare in order to receive a companion ticket is also not permitted
- S8. When booking a flight through Serco Travel for a low cost carrier (e.g. Easyjet, Southwest) for a business trip, External Travellers are permitted to purchase 'priority/speedy boarding' passes, where available.
- S9. External Travellers must not book a flight that is not the most direct route to the destination, in order to qualify for booking in Business class.
- S10. External Travellers may upgrade to a higher class of service at their own expense, or by using their personal frequent flyer points. If the External Traveller wishes to upgrade the class of service using frequent flyer points, those arrangements must be made by the External Traveller, not by the Serco Travel.
- S11. External Travellers may also accept flight upgrades only if there is no additional cost to Serco and does not significantly delay arrival to the required destination.
- S12. Booking in First Class for International trips is not permitted on any airline unless the trip must be made at short notice and there is no other class available on any other airline or complies with the US example set out in S16.

### 3.1. Class of Air Travel

	Travellers based in Americas	Travellers based in ASPAC & UK & E	Travellers based in Middle East
Flight Duration	Cabin Class	Cabin Class	Cabin Class
< 6 Hours	Economy	Economy	Economy
6-8 hours	Economy	Premium Economy	Business
8-10 hours	Economy	Business	Business
10-14 hours	Economy	Business	Business
>14 Hours	Business	Business	Business
Overnight flights >6 hours but less than 8 hours.	Economy unless total flight duration including any overnight flights >14 hours - then Business can be booked	Business can be booked but only if the employee is working on the day of arrival. If not working, then Premium Economy must be booked	Business can be booked but only if the employee is working on the day of arrival. If not working, then Premium Economy must be booked

### 3.2. Preferred Airlines

- S13. Serco have contracted preferential deals with a number of preferred airlines on specific routes. Where possible, External Travellers should book with at these preferred rates with these airlines, although the Lowest Logical Fare (LLF) at the time of booking must always be accepted regardless of airline.

### 3.3. Airline Memberships/Frequent Flyer Programs

- S14. External Travellers are permitted to accumulate frequent flyer points when travelling on Serco company business. However, External Travellers must not give preference to booking airlines for which they hold a frequent flyer account if a lower cost alternative airline is available at the time of booking.

### 3.4. Connecting flights

- S15. For trips where the total flight includes connecting flights (e.g. the most direct route may include a domestic flight followed by an international flight), and the total flight duration for both flights is over 10 hours, then both segments may be flown in Business Class.
- S16. For travellers originating in the US on a flight longer than 10 hours, the purchased business class fare may include a domestic sector in First Class. Some US carriers do not offer a Business Class product and only offer Economy and First Class. In this instance the First Class cabin is deemed equivalent to Business Class.

## 4. Accommodation

- S17. Hotel accommodation must only be used if it is not practical for the External Traveller to return to their place of residence within the same day.
- S18. All hotel reservations for business travel should be booked through Serco Travel where possible.
- S19. External Travellers must book a 'standard room type' when available.
- S20. The External Traveller is responsible for cancelling any hotel reservation that will not be used and any no-show charges incurred. Any hotel no-show charges will not be reimbursed by Serco.
- S21. Serco have contracted preferential rates at a number of hotels. External Travellers should use these hotels when possible as they often have breakfast and Wi-Fi inclusions.
- S22. Where a preferred hotel is not available Serco Travel will advise a comparable alternative.

S23. All UK hotel bookings must be booked with the set cap rates per night.

Central London (zones 1-6):	£150 inc. VAT
Major UK hubs: Aberdeen, Edinburgh & Hook/Basingstoke	£100 inc. VAT
Other UK locations including Barrow in Furness, Bath, Birmingham, Bristol, Glasgow, Huntingdon, Leeds, Norwich, Portsmouth, Southampton, Truro, York, Plymouth, Oxford, Reading, Maidenhead	£90 inc. VAT
Rest of UK – eg: Manchester	£75 inc. VAT
International	£150 ex. Tax

S24. Where an External Traveller requires overnight accommodation longer than 3 nights per trip or requires ongoing accommodation on a weekly basis, then this should be booked in advance at a serviced apartment property through Serco Travel to enable more cost effective room rates to be obtained. E.g. External Traveller arrives every Monday and stays overnight from Monday to Wednesday and departs on Thursday evening as part of an agreed contract with Serco.

## 5. Car Rentals

S25. The External Traveller is responsible for holding a valid driving licence for the travel destination.

S26. All car rental bookings should be booked through Serco Travel where possible.

S27. The standard car type to rent is an intermediate or midsize car (Standard Class Category B or C) unless transporting clients, equipment or at least 3 External Travellers not including the driver, where a full size car or SUV (Category E, W, T) may be rented.

S28. Where more than one External Traveller is travelling to the same destination within a team, then External Travellers should seek to reduce the cost of rental cars by sharing a single vehicle to reduce the cost.

S29. External Travellers who require GPS units/road navigation devices as part of the car hire must include this request in the initial car rental booking.

S30. To limit high day rental charges, External Travellers should avoid booking one-way car rentals, i.e. where a rental car is not returned to the original pick up rental location.

S31. External Travellers may accept car rental upgrades but only if there is no additional cost to Serco.

S32. It is the responsibility of the External Traveller to inspect the car before accepting delivery and External Travellers should accept CDW insurance but decline any pre-paid fuel options at the car rental desk when picking up rental cars.

S33. All rental cars must be refuelled and returned as instructed by the rental car agency.

S34. Serco will not reimburse the costs / penalties of any motoring related offenses such as parking fines, clamping/ boot charges, speeding tickets or congestion charge fines.

## 6. Rail

<b>Train Journey</b>	<b>Class of Rail Travel</b>
< 3 hours	Standard / Economy / Coach/ 2nd Class
> 3 hours	First (Domestic) / Eurostar Premier / TGV Pro

- S35. All rail travel must be booked through the Serco Travel.
- S36. External Travellers are expected to use their judgment when travelling on rail trips in countries where the standard class may not be suitable for business, due to safety and personal security, or where service quality/sanitation is not appropriate.
- S37. For travel within Europe, rail must be booked instead of booking an airline ticket e.g. Eurostar (London to Paris, Brussels, etc.).

## 7. Other Transportation - Taxi, Cabs, Limousine and Public Transport

- S38. The Supplier shall not charge travel expenses for travelling as part of regular commute i.e.: trips to or from their normal home/hotel or office to Serco's designated workplaces/offices for Serco Project or Contract work.
- S39. Every effort should be made by the External Traveller to use public transport when it is more cost effective than cabs / chauffeur driven cars and does not increase the journey time significantly.
- S40. Cabs / limos should only be used when no public transport exists or using public transport would increase journey time significantly (i.e. impacts traveller productivity to conduct business efficiently).
- S41. Mileage rates may only be claimed for External Travellers in connection with a trip on Serco business away from the agreed home base location at a rate of 25p per mile.
- S42. When an External Traveller uses cabs/limos, a receipt with date and total cost clearly shown must be provided in addition to detail of departure and destination.

## 8. Visa /Passport

- S43. It is the External Traveller's responsibility to obtain and comply with advice from authorised sources on security and visa requirements for the countries which are to be visited, and to make any necessary final checks between the time of booking and the time of departure.
- S44. External Travellers must ensure that their passport has a minimum of six (6) months validity before any business trip is booked.

## 9. Meals and other Travel expenses

- S45. An evening meal can only be expensed to Serco if incurred on a trip on Serco business that necessitates an overnight stay. No other meals will be reimbursed if incurred on a day trip without an overnight stay. The daily cap for an evening meal (including alcohol) for an overnight stay is £20.
- S46. Charges for bar bills, telephone calls made on hotel phones, mini bars, dry cleaning and room entertainment or late payment charges will not be reimbursed.
- S47. Serco will not reimburse items of a personal nature that do not have an associated business benefit (e.g. newspapers, magazines, toiletries, books, health club, spa treatments, shoe shine etc.)
- S48. The Suppliers personnel shall be properly insured in accordance with any applicable laws and regulations. Serco shall in no way be responsible for travel insurance for the External Travellers of the Supplier (medical or other insurance).
- S49. External Travellers cannot claim reimbursement for the purchase of personal protective equipment (PPE). Many Serco sites hold PPE and issue the items required to the site staff, suppliers and contractors in accordance with the local site's requirements.
- S50. Unless provided with a Serco Mobile, the External Traveller should use their own mobile phone and can claim itemised calls associated with Serco Business. Line rental is not reimbursable.

## 10. 'Travel Time'

- S51. The External Traveller cannot charge Serco for 'Travel Time' costs unless this has been explicitly agreed in advance within the contractual terms between Serco and the Supplier.
- S52. Travel Time charges will not apply for in-country UK business trips e.g. where an external traveller is based within the UK and travels within the UK.
- S53. If Travel Time charges have contractually been agreed within the Services Agreement, then this will be calculated as follows:
- a. Travel Time starts from airport/ferry/train station and ends at the Serco site/office/business venue or Hotel if accommodation is required and the external is arriving the day before business is due to start.
  - b. Travel time excludes any transfers/taxis to airport from a home location.
  - c. Total travel time must be greater than 4 hours in total time.
  - d. Travel Time charges will be calculated at 50% of the contracted day rate of the External Traveller.
  - e. Overnight Travel Time will not be charged to Serco.
  - f. Any weekend Travel Time will be calculated using the same method and not include any surcharges.

Trip Example: An External Traveller flies on a return business trip from London to Dubai for Serco over a 2 day period.

Travel Time is charged as follows:

50% x day rate x 2 days

50% x £800/day x 2 days = £800 + VAT

## 11. Payment, Invoicing Expenses to Serco

- S54. External Travellers must use their own credit card to pay for any booked travel made through Serco Travel.
- S55. External Travellers must adhere to the invoicing process for the reimbursement of Travel Expenses as set out by their agency, consultancy or Third Party Company.
- S56. Travel Expenses are capped at 8% of the total value of the project/ contract/ Statement of Work/ Invoice/ Engagement Letter. Only very exceptional circumstances will allow for this expenses cap to be exceeded and this must be for business reasons.
- S57. All expenses incurred must be re-charged to Serco at net cost based on actual out-of-pocket expenses in accordance with this policy. No "administration" or "service" charge or 'mark-up' is to be applied.
- S58. Estimated costs for Travel Expenses shall not be pre-paid in advance to Suppliers by Serco.
- S59. Expense charges must be itemized for each day by person, type and amount of expense and reason for expense. Format for itemising expense charges is to be agreed between Serco and supplier.
- S60. Itemised copies of receipts are required for all travel expenses by traveller name, supplier, amount and purpose.
- S61. In the UK and in many other countries, expenses which are incurred by the External Traveller (which are an essential element of the services provided to Serco) consist of a cost component and a tax component (VAT) e.g. car rental. Where the External traveller can recover the cost of the tax component Serco do not expect the tax component to be added to the total cost component (defined as expenses excluding tax, plus fees charged excluding tax) before calculating the total VAT due on the total cost component - Therefore avoiding tax being charged on tax'.

- S62. All Invoices for travel expenses must be submitted within 30 days of when they were incurred on a business trip or activity.
- S63. Expense claims with receipts dated older than three months will not be reimbursed.
- S64. Travel Expenses will cease to be reimbursed after a continuous two year period from the date when an External Traveller commenced providing services to Serco.

## 12. Duty of Care

- S65. It is the responsibility of the External Traveller to provide their employer with a copy of their travel plans.

## 13. Serco Contacts

- S66. Clarification of any terms or clauses for this Supplier Travel Policy can be sought from Serco Global Procurement.