SIB 01 07 03 2022-02-16

BMW Dealer Self-Authorized (DSA) Goodwill and The Elite Shop Programs

This Service Information bulletin supersedes SI B01 07 03 **dated January 2021**

What's New:

- Tier assignment schedule added
- Tier attachment updated

MODEL

All

SITUATION

The Dealer Self-Authorized (DSA) Goodwill and Elite Shop Programs

The Dealer Self-Authorized Goodwill Program (DSA) provides your center with tools to build and maintain customer confidence with the BMW brand. The objective is to exceed your customers' expectations, increase their satisfaction, and maintain product loyalty, leading to repeat sales.

Through the use of these key performance indicators, along with other criteria, your center is assigned to one (1) of three (3) tiers for a period of four (4) months, each tier provides specific benefit options your center can used to address those customers with eligible concerns or issues.

This program does not replace the existing Regional Field Authorization (FAS) Goodwill process. Instead, it offers you an opportunity to make a customer goodwill decision on-the-spot without the need to obtain prior approval from BMW NA. This gives your center a greater opportunity to deliver on the program's objective.

CAUSE

The BMW customer unfortunately experiences a difficult situation and/or extended delays related to the servicing or the use of their vehicle.

CORRECTION

After careful consideration of the circumstance and within the guidelines and allowances of the DSA program's tier assignment that applies, goodwill is provided by your center for customer satisfaction.

PROCEDURE

DSA Goodwill Considerations

When determining whether to offer goodwill assistance to your customer, the following factors are to be considered:

- Cost of the repair
- Condition of the vehicle
- Has the vehicle been properly maintained at a BMW center?
- Does the customer currently own multiple BMW vehicles or has he or she owned a BMW vehicle previously?
- Would, or did, the customer endure an unusual hardship?
- Would investing in your customer keep him or her in the BMW brand?
- What is the elapsed time and/or mileage since the applicable vehicle coverage expired?

Customer assistance through DSA Goodwill is discretionary and not an obligation; the decision to provide assistance requires careful evaluation of the customers situation and circumstance.

Eligible Vehicles

US-specification BMW vehicles:

Copyright ©2022 BMW of North America, Inc.

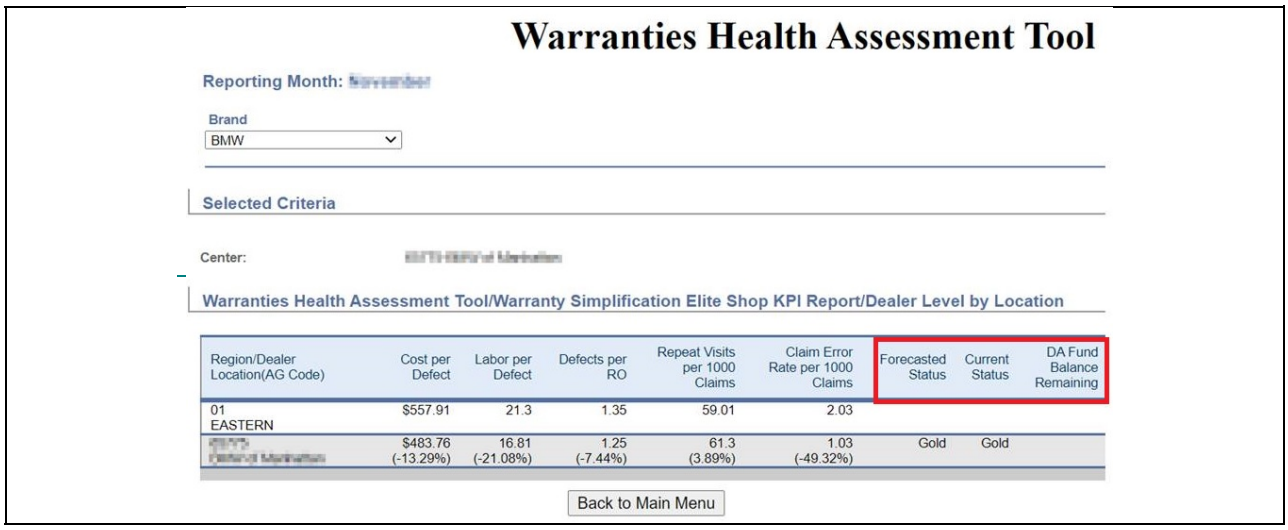
- Distributed in the United States (including Puerto Rico) by BMW of North America, LLC (BMW NA), or those
- Sold through the BMW NA European Delivery, or Military Sales programs, that are now
- Registered and currently being operated in the United States or Puerto Rico

WHAT Tool/Warranty Simplification Elite Shop KPI Report/Dealer Level by Location

The following KPI's are calculated on regularly basis and used to determine if your center qualifies for Elite Gold or Platinum status.

KPIs	Note about KPIs
Cost per Defect	Labor Rate normalized and with the parts handling removed for consistency between centers
Labor per Defect	Only looking at the Number of FRU's claimed- not Labor Rate
Defects per RO	The number of defects claimed per repair order
Repeat Visits per 1000 Claims	Repeat visit within 60 days with a similar customer complaint
Claim Error Rate per 1000 Claims	Rate of claim coding errors that generate appeals

The KPI report is included in the Warranty Health Assignment Tool (WHAT). This report (example shown below) is updated on a monthly basis.



Warranties Health Assessment Tool

Reporting Month: [redacted]

Brand: BMW

Selected Criteria

Center: [redacted]

Warranties Health Assessment Tool/Warranty Simplification Elite Shop KPI Report/Dealer Level by Location

Region/Dealer Location(AG Code)	Cost per Defect	Labor per Defect	Defects per RO	Repeat Visits per 1000 Claims	Claim Error Rate per 1000 Claims	Forecasted Status	Current Status	DA Fund Balance Remaining
01 EASTERN	$557.91	21.3	1.35	59.01	2.03			
[redacted]	$483.76 (-13.29%)	16.81 (-21.08%)	1.25 (-7.44%)	61.3 (3.89%)	1.03 (-49.32%)	Gold	Gold	

Back to Main Menu

Forecasted (Elite Shop) Status

Calculated monthly using the prior 6-month rolling data for these KPIs, this is the forecasted/projected future Elite Shop status assignment your center may be eligible for.

Current (Elite Shop) Status

This is your center's Elite Shop status for the current four (4) month period.

Elite Gold Tier Shop Status Benefits

Shop Foreman can sign off on certain minor warranty policy violations, for example:

Policy Violations Forman can sign off (Qualifying Warranty Repairs Only)
No TC authorization received prior to repair

Copyright ©2022 BMW of North America, Inc.

No Technician punches for repair
No sign off for add on repairs.

Examples of what is not allowed to be signed off and current restrictions:

- Battery replacement without energy diagnosis
- Programming without a test plan recommending programing, a SIB recommending, or programming recommended by the TSE/Technical Service
- TC signoffs: **Max. of three (3)** sign-off occurrences per every 4-month period
- TC sign-off exclusions: **Engines, transmissions and any repair exceeding $5.000**
- Part replacement when IRAP session attempt to recover part is required prior to part replacement

Shop foreman must sign off prior to the submission of a Warranty claim, except for No TC authorization received prior to repair.

- Shop foreman must sign off prior to the submission of a Warranty claim
- Autostamp* must be set up to send a copy of the Shop Foreman authorization to Authorized.Eliteshop@bmwna.com
- Warranty Claim comments must state Autostamp* Authorization
- Sign offs for missed punches must state the date and punch on/punch off times.
- For claims refused for no TC authorization received, the appeal must include documentation to support shop foreman review and sign off for repair prior to appeal submission.

Any policy violations that do not fully address a warrantable concern cannot be signed by the shop foreman.

*If available, the Autostamp app is no longer available in Apple or Google App Stores. If you still have it installed, you can continue to use it. If it doesn't work anymore on your device or you need to switch to a new device, please submit your shop foreman authorization via regular email to the designated email address listed above.

Program Requirements

To become an Elite GOLD Shop, your center must **meet 4 out of the above 5 KPI's at 5% below the regional average**.

Elite Platinum Tier Shop Status Benefits

- Automatic DSA Tier 1 Assignment
- Access to the Elite Gold Shop Tier Benefit
- Shop Foreman Discretionary Funds (2)

Program Requirements

- To become an Elite Platinum Shop, your center must **meet 5 out of the above 5 KPI's at 5% below the regional average**.

Shop Foreman Discretionary Fund

This fund is available to be used to handle workshop mistakes, ineffective repairs and/or technician inefficiencies during the repair process.

These funds are intended to be used for customer vehicle repair issues that are not warrantable.

The discretionary fund is not strictly limited to vehicle repair-related concerns that potentially could have been covered under a BMW limited warranty , this fund can also be applied to any qualifying signed BMW customer

Copyright ©2022 BMW of North America, Inc.

pay RO vehicle repair line item (Center internal repair order line items are excluded).

- Elite Platinum Tier Shops are provided with a **$4,000 discretionary fund total budget for each 4-month period** to be used at the sole-discretion of the Shop Foreman(s). No additional authorization required.
- Balance of funds do not roll over.
- These funds can be used on one occurrence or spread out amongst several repairs.
- Must be claimed as a normal warranty claim with labor ops/part numbers. Repair cannot be submitted as a lump sum under sublet (does not apply for sublet repairs.)

Note: The Elite Shop Discretionary (DA) Fund Balance Remaining is updated in the Warranty Health Assignment Tool (WHAT) on a monthly basis.

Technician mistakes and ineffective repairs can be claimed under:

Defect Code:	**85800206DA**	**SHOP FOREMAN DISCRETIONARY FUND FOR NON-WARRANTY SITUATIONS**

Examples:

- An ineffective repair that does not fix the vehicle.
- Technician damages the customer vehicle (i.e. scrapes a wheel)
- Technician damages a part during install (i.e. drops a radiator prior install and damages the fins)
- Insurance copays or parts of it that the technician would have to cover as a result of a mistake

Up to 3 hours of make-up time for technician inefficiencies can be claimed under:

Defect Code:	**85800107DA**	**SHOP FOREMAN DISCRETIONARY FUND FOR TECHNICIAN INEFFICIENCIES**

Examples:

- Technician not making flat rate time. In this case the Discretionary Fund can be used to claim up to 3 hours at the technician's gross salary rate to cover the technician's inefficiency. Examples were this could be applied:
    - First repair on a new generation vehicle with new technology
    - Junior technician performing more challenging job for the first time

What cannot be submitted under the Discretionary Fund:

- Repairs that fix the vehicle
- Customer compensation (for example, lease payments, accessories, gift cards, cash payments, etc.)
- Repairs covered under the customer's or shop's insurance
- Repairs performed by outside shops except for repairs that the shop cannot perform in house
- Consequential damage

When authorizing workshop mistakes, ineffective repairs or inefficiencies a center can contribute to the repair. This can be achieved by either contributing all or part of labor, part or handling charge. BMW of North America reserves the right to review and modify the center contribution amount.

If a center wants to contribute to the cost of the repair, please state clearly in your claims comment: Center contribution percentage amount for parts (i.e. parts at cost w/o handling, parts at 50%) and/or labor.

Copyright ©2022 BMW of North America, Inc.

Examples of what can/can't be claimed

Example A: During the course of the repair the technician replaced injectors which did not fix the vehicle. Repair was customer pay. Subsequently the technician replaced a high-pressure pump which did fix the vehicle. In this case the shop can claim the injectors under the discretionary fund (and credit the customer) because replacing the injectors was an ineffective repair that did not fix the vehicle. The high-pressure pump repair that did fix the vehicle would be the customer's responsibility.

Example B: Technician repairs several customer pay items but missed a faulty component during the Multi-Point Inspection (MPI). When the customer returns several days later the missed faulty component is identified and repaired. The repair of the missed faulty component can't be claimed under the discretionary fund because if correctly identified on the initial visit it would have been customer pay (or warranty/goodwill depending on time and mileage of the vehicle) and the repair fixed the car.

Tier 1 Shop Status Benefits

Tier 1 DSA – Repair cost

$10,000 or less per repair line item is prior to any participation (DSA GW/Center/Customer).

Tier 1 DSA – BMW Maintenance Program

DSA is allowable up to six (6) months **or 6,000 miles** (after the expiration of the standard maintenance program coverage.

Note: DSA cannot be used to extend the MPU coverage.

Tier 1 DSA – BMW Empower Program

Tier 1 centers are eligible to use the Empower Program if mandatory Empower training (TMSi Course Code OL5612) for Service Managers, Warranty Administrators, Service Advisors and General Manager is completed. Refer to SI B01 08 19 for program guidelines.

All required personnel must take the training class to remain eligible for Tier 1.

Tier 2 Shop Status Benefits

Tier 2 DSA – Repair cost
$6,000 or less per repair line item is prior to any participation (DSA GW/Center/Customer).

For Tier 2 and 3 dealers, it is recommended that the Empower training (TMSi Course Code OL5612) for Service Managers, Warranty Administrators, Service Advisors and General Manager be completed, this along with meeting the other criteria will assist your center in transitioning to Tier 1.

Other DSA Requirements

Additionally, the vehicle cannot have any active warranty or other program coverage that applies to the repair or item being claimed, for example:

- BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks
- Type 2 and Type 3 Parts Warranty claims
- Demo Extension Warranty
- Emission Warranties
- BMW Certified Pre-Owned Programs
- Extended Vehicle Protection programs
- BMW Roadside Assistance Program coverage including towing

Copyright ©2022 BMW of North America, Inc.

Comment – We either need to refer them to the attachment or include it here.

Tier 3 Shop Status

Tier 3 Centers

- **Suspension from the DSA Program**
- All goodwill requests are to be FAS authorizations
- Coaching to reach Tier 1 or 2 DSA through the use of Action Plans

DSA Tier Evaluation and Assignment

Centers Tier Evaluation and Assignment is based on:

- Centers Average Goodwill Cost Percentage (Combined Cost FAS / DSA per unique VIN) from Goodwill Measurement Tool compared to the Regional Average.

And

- Completion of mandatory Empower training course (TMSi Course Code OL5612).

DSA Tier Evaluation and Assignment

A. Centers at or less than 110% of the Regional will be assigned to **Tier 1**.

- **Center personnel, General Manager, Service Manager, Service Advisors and Warranty Administrators must complete mandatory Empower training course.**

B. Centers **greater than 110%** of the Regional Average will be assigned to **Tier 2**.

C. Centers **greater than 150%** of the Regional Average will be assigned to **Tier 3**.

DSA Tier Assignment Schedule

1st Tier Assignment: 2nd Monday in February: Tier Evaluation and Assignments from the January Goodwill Measurement Report.

2nd Tier Assignment: 2nd Monday in June: Tier Evaluation and Assignments from the May Goodwill Measurement Report

3rd Tier Assignment: 2nd Monday in October: Tier Evaluation and Assignments from the September Goodwill Measurement Report

Note: DSA Tier and Elite Shop Assignment will be posted in the Warranty Documentation Portal under "What's New".

DSA Goodwill Participation Matrix (Vehicle Age and Mileage)

Copyright ©2022 BMW of North America, Inc.

DSA Goodwill Program Reimbursement Matrix						
		Number of Months from In-Service Date				
Mileage		0 to 49	50 to 60	61 to 72	73 to 84	85 to 96
	0 to 60,000	100	95	85	70	50
	60,001 to 65,000	90	85	75	60	40
	65,001 to 70,000	80	75	65	50	30
	70,001 to 75,000	65	60	50	35	15
	75,001 to 80,000	50	45	35	20	10
	80,001 to 90,000	40	35	25	15	10
	90,001 to 100,000	35	30	20	15	10
	100,001 to 110,000	30	25	15	10	10

*Goodwill contribution amount can be up to and including eligible vehicle amount listed in the matrix

BMW NA's goodwill participation (coverage percentage) is determined by the sliding scale above, by applying the vehicle's current age (months) and mileage (this is also provided as an attachment).

Attention: The vehicle's **current age is now calculated and displayed** for you in the DCSnet Warranty Vehicle Inquiry in the Warranty/Maintenance Programs/Contract Services (Administered by BMW NA) section under the column heading Current Age (Mth).

Goodwill participation can be offered up to and including a vehicle's covered percentage for labor, parts, and sublet (together equally or individually varying).

The goodwill participation must be noted on the repair order and the claim comments.

Repair Order Invoicing

Reimbursement for Dealer Self-Authorized (DSA) Goodwill repairs is at your center's established warranty rates unless otherwise required by state law.

DSA repair-related BMW are part numbers reimbursed at dealer net price (DN) in effect on the date of repair (claim date) plus a handling charge. The standard handling charge is 40 percent, unless otherwise required by state law.

The entire repair is to be invoiced at the applicable rates when BMW NA is paying for any portion of a repair.

Note: Any remaining customer portion of the repair must also be charged at the applicable rates.

This also applies to Regional Field Authorized Goodwill claims.

Rental Car (Only eligible for Tier 1 Centers)

Copyright ©2022 BMW of North America, Inc.

If alternate transportation is needed, please provide the customer with a vehicle through one of our preferred third-party rental car providers (Enterprise or Hertz if available in your area).

Note: Only eligible if other alternate transportation options are not available.

Invoice the allowable rental car expenses (Excluding fuel) as a separate line item on the repair order as outlined below.

BMW will reimburse the following:

BMW Rental Vehicles	• **Up to $64.00 a day;** plus, any • Market surcharge (if applicable); plus, the • CDW* (Collision Damage Waiver) protection - when the rental vehicle agreement “signee” accepts this “optional” coverage; plus • Taxes
Non-BMW Rental Vehicles	• **Up to $44.00 a day;** plus, any • Market surcharge (if applicable); plus, the • CDW* (Collision Damage Waiver) protection - when the rental vehicle agreement “signee” accepts this “optional” coverage; plus • Taxes

Rental Vehicle Invoice - Required Information for Claim Submission

In order to be reimbursed your center for the above, you must itemize the rental car invoice in the claim comments, please ensure that you include the following information:

Rental Vehicle Invoice - Line items	Required Information to provide
Brand of rental vehicle in use	BMW or Non-BMW Vehicle - Model description
Rental period	Total number of days
Market surcharge (If applicable)	Cost per day and the total amount
CDW* (Collision Damage Waiver)	Cost per day and the total amount
Taxes	Total amount

Attention: This means BMW will only reimburse the cost of the applicable Collision Damage Waiver (CDW)* protection the rental vehicle agreement signee accepted.

***Note:** The Collision Damage Waiver (CDW), this may also be referred to as the Loss Damage Waiver (LDW) or the Physical Damage Waiver (PDW).

Other Optional Protection/Insurance Coverage

If your customer wants to obtain other optional protection or insurance coverage, for example:

- SLP/SLI/LIS (Supplemental Liability Protection or Insurance/Liability Insurance Supplement); and/or
- PAI (Personal Accident Insurance); and/or
- PEC (Personal Effects Coverage);

The cost of this optional coverage would be at his or her expense.

Important Note

If the customer believes they have access to optional protection/insurance coverage that will apply to their loaner car or rental vehicle either through their credit card company and/or personal car insurance (including other drivers and/or total loss), please encourage them to verify if and what additional coverage is available to him or her.

Copyright ©2022 BMW of North America, Inc.

Sublet Reimbursement Items

Claim the sublet item(s) at 100 percent and then select and apply the applicable Matrix Percentage in DCSnet for claim submission.

Goodwill Usage, Self-Monitoring and Management

It is important that all centers use DSA and FAS Goodwill in a consistent manner, especially relating to frequency.

It is strongly recommended that each center regularly monitor their goodwill usage against their area and region by utilizing the Goodwill Measurement Tool report that is located in the DCSnet WHAT.

PARTS INFORMATION

For eligible tiers and repairs only:

Obtain and confirm the part numbers for your specific vehicle by entering the chassis number in either ETK or AIR which takes into account specific equipment and/or options.

Part Number	Description	Quantity
Refer to ETK	As applicable	As applicable

Additionally, other small parts that are not specified above, such as one-time screws, nuts and seals, which must be replaced according to the ISTA repair instructions/ETK, must be selected from the Electronic Parts Catalogue according to the respective vehicle type and invoiced under the corresponding repair defect code

WARRANTY INFORMATION

The DSA repair line item(s) on the repair order and the customer invoice **must** state: Customer goodwill provided by (your BMW center's name).

It's recommended to also include a detailed explanation and the reason **why** the goodwill was provided to the customer.

Reimbursement for a DSA claim will be via normal claim entry, utilizing the following information:

Select and enter the applicable defect code's first eight numbers. The process is completed by entering SA in the 9th and 10th position of the defect code as the vendor code.

Defect Code:	MG SG ## ## SA*	DSA Self-Authorized Goodwill

After selecting the Self-Authorization button, the page will expand to allow for entry of the Participation Amounts. An Authorization Number will be obtained automatically upon Save.

These claims do not require the involvement of your Aftersales Area Manager or the use of the Field Authorization System.

*Corresponding Defect Code: Main Group (MG) number, Sub Group (SG) number, SA (Self-Authorization).

Please be sure to clearly state the **what** and the **why** in claim comment section.

Based on which one applies to your center, please refer to **SI B01 01 20 or B01 07 20** for the applicable procedure for documenting, claiming, and explaining, on the RO and in the claim comments, your diagnosis work time (WT), job/repair work time (WT), and the vehicle repairs your center performed, unless otherwise required by State law.

Please Note:

Copyright ©2022 BMW of North America, Inc.

- The guidelines for this program are being monitored and reviewed on a regular basis.
- BMW NA reserves the right to suspend a Center from this program if it is used excessively or inappropriately.
- BMW NA reserves the right to change or cancel this program without prior notice.

CLAIMS SUBMITTED UNDER THIS PROGRAM ARE SUBJECT TO REVIEW AND/OR DEBIT.

QUESTIONS REGARDING THIS BULLETIN

Technical inquiries	Submit feedback at the top of this bulletin
Warranty inquiries	Please contact the Warranty department by either using the Live Chat that's available in the Warranty Documentation Portal or through IDS by selecting Coverage, Policy, Coding Questions and Mileage Corrections
Parts inquiries	Submit an IDS ticket to the Parts Department

Supporting Materials
picture_as_pdf B010703 BMW Tiers DSA 2_2022.pdf

Copyright ©2022 BMW of North America, Inc.

BMW Tier 1 Shop DSA Benefits	BMW Tier 2 Shop DSA Benefits
Criteria	**Criteria**
• Centers **at or less than** 110% of the Regional Average • Mandatory - Training class is completed	• Centers **within** 111% – 150% of the Regional Average
Program Guidelines	**Program Guidelines**
• $10,000 or less per repair line-item • Six (6) DSA funded repair line-items allowed per vehicle • The defective part must not have any other warranty or program coverage • Maintenance is allowable up to six (6) months or 6,000 miles after the expiration of the **standard** BMW Maintenance Program coverage • Rental vehicles • Towing • Non-warranty repairs	• $6,000 or less per repair line-item • Three (3) DSA funded repair line-items allowed per vehicle • The defective part must not have any other warranty or program coverage • Only repairs that would have been covered under the BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks • Coaching to reach Tier 1 DSA with Action Plans
Exclusions	**Exclusions**
• Add-on repairs • Unapproved repair, programming, retrofit and/or upgrade procedures • BMW Center-owned and Independent Repair/Service Facility vehicles • Comeback repairs • Damage/repairs covered by the vehicle owner's insurance company • Non-Repair Goodwill reimbursements • Paint and body work • Reimbursements for previous repairs or refused warranty claims	• Add-on repairs • Unapproved repair, programming, retrofit and/or upgrade procedures • BMW Maintenance Program Service repairs • BMW Center-owned and Independent Repair/Service Facility vehicles • Comeback repairs • Damage/repairs covered by the vehicle owner's insurance company • Non-Repair Goodwill reimbursements • Paint and body work • Reimbursements for previous repairs or refused warranty claims • Rental vehicles • Towing • Non-warranty repairs

BMW Elite Gold Shop Tier Additional DSA Benefit
Criteria
• Centers that meet four (4) out of the five (5) program's specific KPIs • Standard base DSA Tier evaluation and assignment applies (1, 2 or 3 as applicable)
Program Guidelines
• Shop Forman Sign-off policy violations (Qualifying warranty repairs only)
BMW Elite Platinum Shop Tier Additional DSA Benefits
Criteria
• Centers that **meet** five (5) out of the five (5) program's specific KPIs **(All)**
Program Guidelines
• Automatic Tier 1 Shop DSA Assignment • Access to the Elite Gold Shop Tier Benefit • Shop Foreman Discretionary Funds (2) – **$4,000 discretionary fund total budget for each 4-month period** for items that qualify   ○ 1. Ineffective Repairs/Technician Mistakes and/or 2. Technician Inefficiencies
DSA Program Information, Terms and Conditions
○ Please refer to SI B01 07 03 for additional details