

CITY PAIR'S 101

This guide is to explain the differences between the contracted City-Pairs air fares and published air fares and an agency's option for use.

What are City Pairs?

City pairs are contracted, discounted, unrestricted, fares that have a 57% savings over the same class of ticket sold to the general public.

Why are city pair rates more expensive?

Many people try to compare these fares with fares provided to them by another travel agency or the internet. These fares that are quoted usually contain several restrictions such as advance purchase, non-refundable, non-transferable, penalties for changes, etc. These fares are also offered for a limited number of seats. City pair fares are unrestricted fares. This means that you can purchase them today and travel tomorrow for the same price as buying them in advance. If you need to cancel your flight, your money is refunded. If you need to make changes to your itinerary, you may do so at no additional cost. It also means that as long as there is a seat available (with the exception of first and business class), a ticket can be issued. On an average, these fares are provided to the State of Oregon at 57% under the street price. The grid below shows the comparison between the two fare types.

Government City-Pair Fares are:	Published and Internet fares are:
<ul style="list-style-type: none">• Fully Refundable• Fully Transferable• No Penalties or restrictions• Full coach tickets• Fixed cost, even for last minute travel• No Saturday stay required• No Advance purchase requirements• Last seat availability	<ul style="list-style-type: none">• Non-Refundable• Non Transferable• Cost varies depended upon seat availability and when purchased. Last minute ticket the highest.• Carries penalties and restrictions

What does this mean?

If a fare is fully refundable, if an agency needs to cancel a trip, an agency can cancel the ticket and receive a full refund. If the fare is non-refundable, if an agency cancels the trip, the money will not be refunded.

If a fare is transferrable, a reservation can be changed to another person and a new ticket on the ticket issued without losing the space. With non-transferable fares, only the person named on the ticket may use the ticket.

Penalties and restrictions: For tickets with penalties' and restrictions. If a ticket needs to be changed for any reason, the airlines will charge a minimum of \$75.00 to \$150.00 based on the airline to change the ticket. Changes include changing the date or time of travel and changing the destination or routing. Restrictions mean that the ticket purchase is only available for a certain number of seats on an aircraft. Once the fare class is sold out on a flight, the fare can no longer be used. Full coach tickets allow the flexibility of obtaining a seat at the last minute on a flight, even if it is the last seat available.

Fixed cost means the contracted cost base and us tax is the cost of the tickets. Prices will not vary however some taxes and fuel charges may vary. Published fare tickets can vary by the hour. It is dependent on the date and time of travel, how soon tickets are purchased, Saturday night stay, how much seating is left on a particular flight, available class of fares, fuel costs and other market conditions.

Which Airlines contract with the State of Oregon?

The State has Price Agreements with Alaska, JetBlue, SeaPort, and United airlines for 26 city pairs across the US.

Why are City Pairs Important?

The airline industry has been consolidating for a number of years, either through mergers or ceasing to operate, leaving the industry with only a few major airlines. Even fewer of the existing airlines will execute price agreements with the states'. Oregon is lucky to have the contracted airlines it does. 40% of State travel occurs under 14 days of ticketing and 40% of tickets purchased use the contracted City-Pair fares. The remaining State travel used published fares. DAS SPO has documented that over an additional \$7 million per year would be spent on air fare using published fares for travel under 14 days of ticketing. It is critical that Oregon utilize the airline price agreements by purchasing either the contracted or published fare.

What choices do I have?

Per the Price Agreements with Alaska and United, State agencies are required to use the contracted **airline** between contracted city-pairs. State agencies are not required to use the contracted **fare**. This means agencies can choose between using the contracted City Pair fare or the published fare.

What should determine my choice between using the City Pair fare or the published fare?

Agencies should determine the type of travel that is occurring to determine the lowest logical air fare. For example:

- If someone is traveling to a conference. The conference dates and location is fixed, and agencies can plan for this trip and purchase the tickets a few weeks out. Purchasing a published fare is the logical option.
- If someone needs to fly the next day to respond to an emergency, then the City Pair fare would be the logical option since the price will be lower than a published internet fare.

When making travel arrangements with Azumano, you will be given the city pair rates (if available) and the lowest published price at the time of making the reservation. The lowest published price is the restricted ticket version. About 60% of the time, the lowest published price is lower than the city pair rate. At this time, your agency must make a decision as to whether they are to accept the risk of the restricted ticket or purchase the city pair ticket. Either is acceptable with the state’s travel policy. The contracts with the airlines mandate the use of the airline, not the use of the city pair fare.

Check with your agencies travel policy, some State agencies require that city pair fares are only to be purchased and your agency profile at Azumano will block access to published fares. You can contact Azumano Travel to check your agency profile settings.

Examples of cost comparisons:

Using the contracted airlines published fares; here are some examples of cost comparisons for 5 different city pairs and two different travel dates.

Booking date 4/2/2011

City Pair	Airline	Dates of travel	Published – Non Refundable	Published – Refundable	Contracted City-Pair Fares*
PDX – Washington DC (IAD)	United	4/3/11 – 4/5/11	\$1,355.00	\$1,502.00	\$778.00
PDX – Washington DC (IAD)	United	5/2/11 – 5/4/11	\$516.00	\$1,502.00	\$534.00
PDX – Boise ID	Alaska	4/3/11 – 4/5/11	\$347.00	\$417.00	\$258.00
PDX – Boise ID	Alaska	5/2/11 – 5/4/11	\$199.00	\$417.00	\$198.00

PDX – San Francisco, CA	United	4/3/11 – 4/5/11	\$512.00	\$582.00	\$358.00
PDX – San Francisco, CA	United	5/2/11 – 5/4/11	\$178.00	\$582.00	\$246.00
PDX – Chicago, IL	Alaska	4/3/11 – 4/5/11	\$989.00	\$1,219.00	\$698.00
PDX – Chicago, IL	Alaska	5/2/11 – 5/4/11	\$330.00	\$1,050.00	\$498.00
PDX – New York, NY (JFK)	United	4/3/11 – 4/5/11	\$1,128.00	\$1,358.00	\$1014.00
PDX – New York, NY (JFK)	United	5/2/11 – 5/4/11	\$456.00	\$1,358.00	\$694.00

* Note: The contracted city pair fares have two fare levels, Y-Class (last seat availability) and C-Class (up to 2/3rd of aircraft available seating). In the above scenario, Y-Class fares were used for next day travel and C-Class fares were used for travel occurring one month out.

Every flight and city pair scenario will be different. Published fares vary on a daily basis. When arranging travel, you should compare both published fares and government fares to determine which makes the most sense for you agency.

What if I find a better ticket on another airline?

If you find ticket on an airline that isn't contracted for the City Pair and meets the exception criteria for a release, your agency will need to complete the Airline Contract Release Form and have it approved by Azumano before purchasing the ticket. The airline release form is located at www.azumano.com/oregon in the left hand navigation menu. Once approved, Azumano will complete the ticket purchase. The exception criteria are shown below.

What are the exceptions to use airlines that are not under contract with Oregon?

A Contract Airline Release is required before tickets can be purchased on a non-contracted airline. The process only takes a couple of minutes to complete and approval usually occurs within a couple of hours. The releases are used for tracking and also to provide documentation to your auditors why you didn't use and sought approval to fly off of the contracted airline. There is prescribed criteria for automatic approval from Azumano, this criteria is

1. The Contractor is oversold for a requested flight,
2. A flight is cancelled,

3. The Contractor's policy prevents the movement or requires a special requirement that is too restrictive to the Participant for the movement of bound or in custody passengers,
4. The circumstances or conditions affecting the Contractor, its scheduling or its flights delay or probably will delay the traveler by more than three hours for air travel (one way) that both originates and has its destination in North America, or by more than four hours for air travel (one way) that either originates or has its destination outside North America, or in situations where a traveler is unable to reach his/her final destination in the time required. Examples of delaying circumstances or conditions include, but are not limited to:
 - (i). A lay-over between connecting flights that exceeds the applicable maximum number of hours of delay stated above;
 - (ii) Any combination of lay-overs on a one-way series of flights that in the aggregate exceed the applicable maximum number of hours of delay stated above; or
 - (iii) Any event that delays either the scheduled boarding or the scheduled take-off of a flight by more than the applicable maximum number of hours of delay stated above.
5. There is available to the Authorized Purchaser a lower priced published fare that is more than \$25.00 lower than the lowest Contractor's published fare.

Can I use another airline that matches the city pair rate of the contracted airline?

NO. The State of Oregon has contracts with airlines who submitted offers based on the State's requirements and estimated travel to various cities. The State of Oregon has an obligation to honor those contracts. Even if another airline matches a fare of a city pair fare, it is usually a different class of service and those tickets have restrictions.

What if I find a cheaper ticket through another travel agent and can accept the restrictions?

If you find a cheaper ticket elsewhere, you will need to notify the Travel Contractor of the lower airfare by filling out an "Travel Agency Contract Release Form." This form is located on the Azumano Travel Oregon webpage. The Travel Contractor will be given the opportunity to match the fare. If they cannot match the fare, the Travel Contractor will issue a one time waiver to your agency authorizing you to purchase the ticket. Please keep in mind that these lower fares are restricted tickets and you are assuming all risks if you end up making changes or canceling the trip. Please complete the Travel Contract Release Form first and wait for a response back from Azumano **PRIOR** to purchasing the ticket through the other provider.

What if I find a cheaper ticket on the internet?

The same provisions as above apply. The use of booking tickets on the internet is discouraged. This is due to the fact that there is no tracking capability and these tickets are heavily restricted. Azumano also has access to the same internet fares and can purchase these fares for you.

What if I need to travel to a location that isn't covered under a City Pair?

You can choose the airline and fare that makes the best sense for your agency, however you are encouraged to use one of the contracted airlines.

Can I accrue Frequent Flyer Miles?

The use of travel awards obtained while conducting state business for personal travel constitutes personal gain from state employment and violates ORS 244.040. The State does encourage the use of frequent flier miles to help defer costs; however, this requires you to separate your frequent flyer miles earned while on business from your personal miles.

NOTE: Frequent flyer miles cannot be accrued for any tickets purchased under the city pair's contract.

Can Contractors utilize the City Pairs or Enterprise Car Rental Contract?

NO. These Contracts are for use by State Employees or persons representing the State of Oregon only and are to be used for Official State Business only. Contractors may use the Travel Contractor for making travel arrangements of their own. This rule also applies to speakers your agency is bringing in to speak to a group and you are picking up the travel expenses. This applies whether or not you are paying the speaker.

Is the Travel Contractor responsible when I get bumped by the airline?

NO. If an airline bumps you, the airline is responsible for getting you to your final destination. The airlines usually offer compensation of a travel vouchers for future trips. Please remember that any compensation offered to you by the airlines may not be used for personal travel and is the State's property.

Why must I have a US Bank VISA Card to book airfare?

The states airline contracts mandate that all airfare is to be purchased using the state's US Bank CTS account, also known as a "ghost account." By doing so, the state is able to monitor compliance and inappropriate use of the state's airfare program. For instance, an employee (or non-employee) would not be able to identify themselves as a state employee and obtain the state's airfare pricing using a personal credit card. The corporate credit cards all have the same number series the airlines have these numbers in their computers to track fraudulent use.

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