



Oregon State Procurement Office Travel Program and Price Agreements



Oregon Department of Administrative Services – State Services Division

Program Ownership: The State of Oregon travel program is a managed travel program that is jointly governed by the State Controllers Division and the DAS State Procurement Office. The State Controllers Division is responsible for administering and enforcing the State Travel Policy. The State Travel Policy primarily centers around travel expenses and reimbursements, setting parameters on spend and general guidance on how to travel while on state travel status. The travel policy refers state employees to use appropriate price agreements.

DAS SPO's Responsibility: The DAS State Procurement Office is responsible for establishing and administering Statewide Price Agreements that support State government travel. The price agreements include a Travel Management Contractor (TMC), airlines, credit card and vehicle rental price agreements. There is language in the Price Agreements that provides further governance on how the price agreements are to be used, thus providing further governance in the travel program. The joint ownership of the travel program between State Controllers Division and DAS State Procurement Office is a very cost effective program. Other states that have a managed travel program similar to Oregon have dedicated FTE where travel is their only responsibility. In Oregon, neither the SCD nor SPO has dedicated individuals.

The State's Travel Management Contractor: (TMC), Azumano Travel, provides traditional phone reservations and online booking services. The booking fees are \$28.50 for traditional and \$8.00 for online. Fees are only charged when airfare reservations are ticketed. There is no charge for hotel and vehicle rental reservations

Credit Card Provider: The US Bank contract provides the State of Oregon with state liability Purchase Cards (SPOTS Cards), personal liability corporate travel cards, and state liability Central Travel Summary (CTS) accounts, also known as "ghost accounts." The CTS accounts are held by Azumano Travel and are used for

Travel Program and Contracts

The managed state travel program is comprised of a joint ownership between two DAS divisions and five major price agreement elements:

- Travel Management Contractor
- A contracted credit card provider
- City-pairs contracts
- Vehicle rental contracts
- Qualified Lodging Lists.

<http://www.oregon.gov/DAS/SSD/SPO/travel-menu.shtml>

charging air fare purchases. Each agency has its own CTS account and receives a monthly bill from US Bank for purchases made. Azumano is the only travel agency allowed to charge against these accounts.

City-Pairs: The State of Oregon's city-pairs contracts with Alaska, JetBlue, Seaport and United Airlines are discounted, unrestricted, one-way fares that have a 57% savings over the same class ticket sold to the general public. City-pair fares are often confused with published fares found on the internet. Internet fares are restricted, carry penalties and restrictions, and are non-refundable. These restricted, published fares are usually less expensive than city-pair fares. However, there is a greater risk if a change occurs.

Vehicle Rental Contracts: The Enterprise/National, and Hertz contracts offer deeply discounted rates. The average daily rental price for a mid-sized sedan is \$30.00 and includes unlimited mileage and \$1 million liability and loss damage waiver insurance. Published rates for similar rentals run \$80.00 per day.

Qualified Lodging Program: The State maintains an in-state and led the WSCA nationwide lodging program. Both programs are a qualified lists of properties that rent rooms to state employees at or below GSA per-diem rates.



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Frequently asked questions and answers:

Why must I use the State's Travel Contractor?

- Azumano maintains detailed reports which the state can use in negotiating the airline and car rental contracts.
- Ensures compliance with state travel policies
- State is able to negotiate better rates with airlines and car rental companies by having a single travel management contractor.
- Single point of travel services for state employees.
- Research indicates that states that have multiple or no travel management providers and do not have control over their program pay much higher travel rates.

Why are city pair rates more expensive?

- They are unrestricted.
- You can purchase your ticket today and travel tomorrow for the same price as an advanced purchase.
- Your money will be refunded if you cancel your flight.
- No additional cost if you need to change your itinerary.
- If there is a seat available (with the exception of first and business class), a ticket can be issued.

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

- Notify Azumano of the lower airfare by filling out a Travel Contract Release Form, located at <http://www.azumano.com/oregon>
- If Azumano is unable to match the fare, they will issue a one time waiver to your agency authorizing you to purchase the ticket.
- Submit the Travel Contract Release Form prior to ticket purchase.
- Booking tickets on the internet is discouraged because there is no tracking capability and these tickets are heavily restricted. Azumano has access to the same internet fares and can purchase tickets for you.

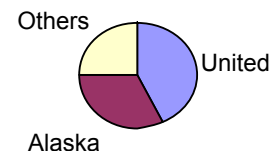
How often do we book flights the day of the flight? Out of 26,335 tickets purchased in 2009 approximately 2,634 were purchased for travel within 2 days and a total of approximately 10,534 tickets were purchased for travel within 13 days or less.

Are we paying a premium on fares to get a benefit that we do not use very often? How often do we take advantage of the unrestricted fares to make reservation changes or cancellations? What would have been the cost of the changes with a restricted fare? About 120 tickets are changed each month. With airlines charging \$100 - \$150 per ticket change, averaging \$125, it would cost the State about \$15,000 per month or \$180,000 per year in just airline change fees alone.

Do we pay a higher price to include the exceptions and what would it cost to serve the core needs for travel at the lowest possible price? Based on the information provided by the TMC, the exceptions for 2009 would have equated to 40% of travelers (10,534 tickets) thus increasing their travel costs substantially if they were not to use the Price Agreement. The remaining 60% purchased Published Fares and utilized the flexibility built into the Price Agreement and received the lowest possible industry rates.

2010 Contract Compliance

Airline Compliance



Vehicle Rental Compliance

