

SCOPE OF WORK

EXHIBIT A

The term of this one (1) year contract shall be upon signature and approval of the Department of General Services designee or July 1, 2009, which ever occurs last, through June 30, 2010, with the possibility of four (4) optional one (1) year extensions. The State will have the option to extend the contract term upon mutual written agreement with the contractor.

1. Authorization for State Employees

The American Express Business Travelers Account is the official form of payment. The State will provide the first 5 control digits of the American Express numbers to all the awarded airlines for use in verification of authorized users. Tickets at the proposed fares will be made available to State employees traveling on authorized State/Local business when ordering directly from an airline or from an authorized travel agent when payment is made by:

- a) An **American Express Business Travel Account**
- b) An **American Express Corporate Charge Card** clearly marked "State of California" or with the California State University Campus initial/name

2. State Employee Defined

For the purpose of this RFP, a State employee is an officer or employee of the Executive Branch of California State Government. This includes employees of the California State University System (CSU), University of California System (UC), and California Community Colleges.

3. Optional Users

Tickets at the proposed fares will be made available to optional users traveling on authorized State business when ordering directly from an airline or from an authorized travel agent. In addition to the officers and employees of the Executive Branch, the following may, but are not required to, obtain services under these contracts providing they are on authorized State business and/or authorized travel pursuant to local laws.

- a) **Non Salaried:**
Persons who are on official State business and whose travel expenses are paid by the State (this includes volunteers, members of official task forces, consultants and members of some commissions and boards, and wards of the State).
- b) **Elected Constitutional Officers:**
Governor, Lieutenant Governor, State Controller, Attorney General, Secretary of State, Superintendent of Public Instruction, State Treasurer, Insurance Commissioner, members of the Board of Equalization, and members of the staff of the above constitutional officers.
- c) **State Legislative Branch:**
Members of the State Senate, Members of the State Assembly, and Legislative staff members.
- d) **State Judicial Branch:**
Justices, officers, and employees of the Supreme Court of California, the Courts of Appeal, the Judicial Council of California and the State BAR of California.
- e) **Executive Protection:**
Persons providing executive protection to anyone authorized to use these contracted rates.
- f) **Local Agencies:**
Elected officials and other personnel of local agencies within California, to the extent that the travel is undertaken in accordance with the laws governing those agencies; persons employed by or affiliated with the California League of Cities (CLC) or the California State Association of Counties (CSAC) or affiliated organizations. Whenever the term "State business" is used in this agreement that term shall be read to

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include with respect to travel undertaken under the authority of local agencies, CLC, CSAC or the affiliated organizations referred to herein the official business of those entities.

- g) Kindergarten through Grade Twelve (K-12) Public School Districts:
Persons on official business for K-12 educational institutions that are supported with public funds and are authorized by action of and operated under the oversight of a publicly constituted Local or State educational agency.

4. Extradition Travel

The State requests pre-boarding (Business or First Class) line availability for extradition agents transporting inmates. Waiting-in the general public line brings unneeded attention to staff, and elevates the risk factor. Pre-boarding allows the armed agent with inmate in mechanical restraints to settle in before the public boards the aircraft. The State also request a contact name for each airlines should an extradition issue occur.

5. Y-CAL Designation

In signing a contract for any City-Pair, the contractor agrees to designate the State contracted air fare as a Y-CAL rate and agrees not to use the Y-CAL designation for air fares for City-Pairs for which the contractor does not have a State contract.

6. "_"-CAL Designation (Capacity Controlled)

When V-CAL (Capacity Controlled) fare code is mentioned in this RFP, the State is changing its Capacity Controlled bucket name from V-CAL to "_"-CAL fares. Bidders are to designate their own classification for "_"-CAL fares. "_"-CAL fare selection shall be above the bottom third of the inventory as such to mirror the Federal Government GSA schedule. Contractor shall use the _-CAL designation to indicate capacity controlled fare code. Airline must use a designated capacity controlled fare code to differentiate fare codes under this contract.

7. Direct – Variable Fares Proposal

Bidders that offer State and Local government employees the ability to purchase fares directly from the carrier in lieu of utilizing travel agents shall be able to offer the State a variable fare cost. The bidder shall offer direct airline fares either through direct contact and/or direct internet website. Bidders that offer variable fare cost proposals shall be evaluated and the **contract** may be awarded in the following manner:

- (a) All proposals shall be reviewed to determine which meet the format requirements specified in the request for proposal.
- (b) All proposals meeting the formal requirements shall then be evaluated using the methods specified in the RFP. All proposals and all evaluation sheets shall be available for public inspection at the conclusion of the evaluation process.
- (c) The bidder shall provide the State with a baseline price structure for those City-Pairs bid.
- (d) The State may suspend the contract if the fares during the term of the contract exceed the original offered baseline fares/cost by 10%.
- (e) The State will accept the lowest bidder by City-Pair within each group and award to all bidder(s) that fall within 30% of that cost.
- (f) Bidder shall fill in their offered baseline fare in the correct column on Attachments 3A, 4A and 5A named Baseline Variable Fare.

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8. Contractor Responsibilities

- a) If bidder provides direct contact airline fares and/or on-line designated fares, then bidder certifies the ability to maintain and set up a Corporate Identification Account for centrally billed charges reporting for each government agency, and comprehensive reporting sent to the DGS Contract Administrator. (See Attachment 2, Bidders Certification Sheet)
- b) A contractor will furnish authorized State travelers with one-way air travel between cities of a City-Pair in either direction at the Y-CAL designated, and _-CAL capacity controlled fare, and/or Variable fare – Direct/Internet fare, and provide the authorized State traveler with the same services provided to the general public in unrestricted scheduled coach service, including food, subject to the rules and procedures published in the air carrier's tariffs on file with the Airline Tariff Publishing Company.

9. Baggage Fees

Bags or baggage handling fees will be excluded from all Fares bid.

10. Fuel Surcharge

Should the State experience volatility in fuel costs, a fuel surcharge may be imposed under the following conditions: the fuel surcharge may not be higher than that imposed commercially; the surcharge has been in place commercially for a minimum of 14 consecutive days; and the fuel surcharge will be removed from the contract fares when it is no longer imposed commercially.

11. Electronic Access

The State's direction is to put more business processes on an electronic medium. Over the term of any resulting contract, the contractor and the State shall discuss options and make reasonable best efforts to enable the State to access contracted or lower fares via an electronic medium.

12. Insurance

Contractors will submit Certificate of Liability as Attachment 9, with its proposal, the certificate of liability insurance with limits of at least \$100 million. Bidder(s) will also include the State of California, Department of General Services as a Certificate holder ensuring continued coverage. A copy of the insurance certificate will include the following statement: "the State of California, its officers, agents, and employees as additional insured's only insofar as this contract is concerned".

13. Environmental Impact

Contractors will submit as Attachment 10 its and/or manufacturers certification of actively pursuing additional ways of minimizing their environmental impacts, which should contain a summary of the efforts the contractor is taking to monitor and reduce greenhouse gas emissions. The only required format is that it named Attachment 10, the format and the information provided is at the discretion of the contractor

14. Refunds

Contractors are required to refund any or all portions of an unused ticket including unused ticketless transactions to the State of California, or have the ability to apply unused funds toward another airline ticket.

15. Taxes

Federal, State and Local taxes, if applicable, are to be included in all price bids for _-CAL and Y-CAL fares. Any increase of Federal, State and Local taxes for the period July 1, 2009 through June 30, 2010 will not apply to negotiated contract rates unless the Government declares a natural disaster and all travelers are impacted.

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International City-Pairs shall be offered as base fares, excluding taxes and fees. Direct contact/on-line airline variable contracted fares must have the ability to provide the State reports of all taxes and fees.

16. Security Fee

Security fees imposed from September 11, 2001 will be excluded from all Fares bid.

17. Passenger Facility Charges

All Passenger Facility Charges (PFCs) will be excluded from all Fares bid.

18. Bonuses

State Government Travelers who earn travel premiums (Frequent Flier Miles/Points) while traveling on official State business may now receive travel premiums for their personal use.

19. Flight Availability

Each City-Pair has a flight availability listing on the bid submission form that must be maintained during the life of the contract. If the Contractor fails to meet the flight availability listing at any time during the life of the contract, the Contractor must notify the departmental contact person(s) in writing five (5) days before the effective date of the schedule change. If the Contractor fails to meet the flight availability listing, the State may, at its sole option, cancel the contract or negotiate to award another contract for that City-Pair. During the term of the contract, the flight numbers and times of departure may change, as long as the contractor maintains sufficient flights to meet the flight availability listing.

- a) Unless specifically exempted, all flights within a contract City-Pair that meets solicited minimum flight time standards will be made available to the State of California travelers not merely the minimum flights required by the RFP.

20. State Responsibility

Upon award of the City-Pair contracts, the Department of General Services will distribute to all State agencies and travel agencies a list of City-Pair contractors, requirements and procedures for use of service.

21. Identification

The State does not provide a system for personal identification as a State employee common to all State agencies.

22. Exceptions

The State of California, for individual trips of authorized State travelers, will not be required to obtain services from the contractor(s) if: (1) space or flight schedules are not available to accomplish the purpose of the travel, or use of available contract service would require the traveler to incur unnecessary costs which would increase the total cost of the trip; or (2) a non-contract carrier offers a lower fare available to the general public, the use of which will result in a lower **TOTAL** trip cost to the State. Total trip cost includes the combined costs of transportation, overnight lodging, meals and related expenses. **NOTE: THIS EXCEPTION DOES NOT APPLY IF THE CONTRACTED CARRIER(S) OFFERS A COMPARABLE FARE AND HAS SEATS AVAILABLE AT THAT FARE, OR IF THE LOWER FARE OFFERED BY A NON-CONTRACT CARRIER IS RESTRICTED TO OR FROM STATE/LOCAL TRAVELERS ON OFFICIAL GOVERNMENT BUSINESS.**

Note to Contractors: The State requires that all employees or their travel agencies provide justification for any use that is an **exception** to the State contract.

23. Funding Contingency

The State's obligations under this agreement are contingent on the appropriation and availability of funds sufficient to meet those obligations, and if, in accordance with the relevant Budget Act, such sufficient funds are not appropriated or available (either during the present fiscal year or during subsequent fiscal years covered under this

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agreement), this agreement shall have no further force or effect, and the State shall have no further obligation (either for the payment of money or otherwise) to the contractor under this agreement.

24. Contract Administrator

The contract administrator during the term of this agreement will be:

Tasha Wilson Statewide Travel Program DGS-Fleet and Asset Management 707 3rd Street, 6th Floor, MS 600 West Sacramento, CA 95605 Phone (916) 376-3976 ~ Fax (916) 376-3999 E-mail: tasha.wilson@dgs.ca.gov

25. Ticket Payment Responsibilities

Authorized users who purchase Y-CAL or _-CAL capacity controlled designated air fare tickets, and/or [Direct] Customer Booked and/or on-line variable contracted fares from an airline website utilizing this agreement are responsible for the payment of those tickets. DGS will be responsible for paying for DGS-purchased tickets only, and neither DGS - PD nor DGS Office of Fleet and Asset Management (OFAM) is responsible for paying for tickets purchased by or on behalf of any other entity.