



Frequently Asked Questions and Answers Regarding the Management Memo #14-03, March 6, 2014

The Management Memo (MM) #14-03 leads us to believe that either a department uses Concur Travel/CALTRAVELSTORE for employees or not at all. What if we don't fit either category?

The intent of the MM #14-03 is to announce a travel policy change for all executive branch departments/agencies requiring the use of Concur Travel and/or CALTRAVELSTORE for all air, car and hotel reservations. During the implementation period for each department, the SWABIZ and Enterprise.com sites will be shut down and there will be no other options for booking travel.

Would this mandated activity require an interagency agreement?

There is no interagency required at this time.

What is the difference between the use of the CALTRAVELSTORE versus Concur Travel? Are they the same or not?

The CALTRAVELSTORE is the state's only authorized travel agency and Concur Travel is an online self-booking tool provided by CALTRAVELSTORE to the State of California.

What are CALTRAVELSTORE's business hours?

The CALTRAVELSTORE is open from 8 a.m. to 5 p.m., Monday through Friday, with full-service after-hours services from 5 p.m. to 8 am. Concur Travel is available 24 hours a day, seven days a week.

With regard to the 18 month implementation period, is this when all employees must use Concur Travel/CALTRAVELSTORE exclusively for all travel?

Yes, that is the goal; however it will ultimately be based on each department's business needs.

Will the timeline for implementation and training deployment be discussed with each department?

Yes, the timeline for implementation and training deployment will be discussed with each department and can be adjusted to meet each department's business needs; and the Department of General Services would appreciate the opportunity to discuss training.

Implementation during year end is very difficult. Can the timeline be adjusted?
The timeline can be adjusted to meet each department's needs.

We currently have employees that utilize Concur Travel/CALTRAVELSTORE, and others who book directly online. Based on conversations with CALTRAVELSTORE, there are more users of the product that contact the travel agents directly than utilize the online Concur Travel site. Charges to the American Express reflect the majority of our department travelers incurring airfare and car rental charges book their reservations directly through SWABIZ and Enterprise. The MM #14-03 states that all agencies should be using Travel Store within 18 months of issuance of the MM, and that direct links to SWABIZ and Enterprise will be discontinued. These two factors would mean Department-wide training would become necessary, and due to our size, would pose our biggest challenge. What methods will be utilized to implement training for large organizations?

In regards to CALTRAVELSTORE reservations, 70% of reservations are currently made on Concur Travel and 30% are called into a travel agent. During your department needs assessment, we will determine specific training needs and timelines. The training options available will include: in-person, webinar, train-the-trainer, conference calls, and user guides and templates. Use of SWABIZ and Enterprise websites for state travel reservations will not be discontinued until implementation and training is complete. The Statewide Travel Program will work with you throughout the transition period and will assist in any way possible to get your travelers up-to-speed on the new system.

We currently have some employees who use Concur Travel/CALTRAVELSTORE and others who book directly online. Since we are currently a hybrid, and there may be other departments with this situation, would we need a readiness assessment or is this only for departments who don't use Concur Travel/CALTRAVELSTORE at all?

State employees will no longer be able to book on SWABIZ and Enterprise.com and the hybrid process will cease to exist. If departments already use Concur Travel and CALTRAVELSTORE, the readiness assessment will cover the post-implementation support to be provided by the DGS. It should be nothing more than an hour or an hour and half meeting to determine the department's needs and to ensure the implementation goes smoothly for the travelers.

As our department has some experience with the Concur Travel/CALTRAVELSTORE Store, we would prefer to do our own training. Would this be allowable?

Absolutely, and we would provide any support based on your direction.

The Management Memo #14-03 also recommends utilizing non-refundable flights since they are significantly cheaper. Currently, our department policy is to not book non-refundable flights. The reason is the majority of our travelers book flights infrequently (once a year) and changes in flights and meetings occur regularly. For non-refundable flights, Southwest only provides a credit which can only be used by the traveler within one year. Our department would likely lose the credits if we booked non-refundable tickets.

The Management Memo #14-03 does not make any recommendations on non-refundable versus refundable fares. The *Best Practices Guide* has information on utilizing non-refundable flights for cost savings but is provided only as a resource. Non-refundable fares are 40% to 60% lower than the comparable refundable fares. The non-refundable fare option will provide a significant savings if they meet the business need of the department. The analysis of business need versus cost will still be conducted at the department/agency level and each department/agency will set the policy for the use of refundable versus non-refundable fares.

Our Department's travel policy mandates staff to book refundable flights only. We currently have an agreement with the CALTRAVELSTORE to seek approval from Accounting prior to booking any non-refundable flights. This may be approved if it is determined that there is minimal chance of cancellation, as it is more cost effective to the State.

Since your current booking process is through CALTRAVELSTORE there would be no change. Travel management best practices propose an approval chain that includes the travelers' direct manager and excludes the accounting staff to accommodate for separation of duties within the Accounting office.

The use of refundable versus non-refundable fares is determined by management and should be part of the budget review process for their respective units. Concur Travel tracks unused credits and prompts travelers to use the funds for their next trip while, in contrast, SWABIZ did not.

Finally, the recommendation for the use of non-refundable fares is provided solely if it meets your business needs. Your Department/Agency can set the policy for the use of refundable versus non-refundable fares. The Department of General Services realizes the use of non-refundable fares will require a documented policy and process to manage the credits and we are available to assist. The fares are 40% to 60% lower than the comparable refundable fares; A significant savings for any travel budget.

There is concern regarding CALTRAVELSTORE'S capacity for addressing the volume of inquiries and reservations resulting from the mandated use for hotel lodging travel arrangements. More significantly, many field employees have no access to computers, particularly when traveling. Consequently, there would be a high volume of phone-based reservations, reservation adjustments/cancellations. How will the enforceability/accountability of the mandate be handled for individual traveling employees who may have special circumstances?

We understand your concern. At the current time, approximately 70% of the State's transactions are completed using Concur Travel. We expect a significant increase in the volume of call in reservations for hotels during implementation. Since one of the primary reasons for this transition is the acquisition of travel data for hotel negotiations, we would work with your department to explore options given the allowance of exceptions for special circumstances.

What is "pre-trip approval process"?

The pre-trip approval process is an electronic option with Concur Travel whereby employees' travel itineraries are routed to their managers for approval before any charges are incurred by the State. Manager's approvals can also be done via email but must be done prior to the employee receiving travel confirmation. This pre-trip approval process does not involve CALTRAVELSTORE verifying employees. The departments can choose to set up this pre-trip approval process, if it meets their business needs.

The booking charges do not always identify who the traveler is on the American Express card. Each month, staff has to contact the CALTRAVELSTORE to get this information. Will this be fixed because we are not/will not receive the benefit of saving staff time to reconcile the American Express statement as long as this occurs?

We are aware that some Hotel Direct Bill charges that hit the American Express Business Travel Accounts do not contain all of the pertinent data required for reconciliation. Concur Travel will transmit all pertinent data to the iBank reporting system and will be available for reconciliation purposes. The Hotel Direct Bill is a small piece of this process and is an exception. The benefit is realized with having all of your department's travel data in the iBank reporting system.

Regarding invoicing, currently Accounting receives the American Express invoice as a hard copy; Enterprise and Concur Travel accounting transaction are received via email but billed on one monthly invoice as a total charge. Will the invoice process be the same?

The accounting process will remain the same for transaction fees and Enterprise charges.

AMEX and Concur Travel charges have a one month lag but the Enterprise charges can have a two month lag in transactions. Will Concur Travel or CALTRAVELSTORE provide ability to download invoices?

Travelers will be able to access invoices through the EReceipt function in Concur Travel or through the iBank Reporting System.

Depending upon the reports and information the CALTRAVELSTORE will have available, we are concerned that we may have additional workloads requiring staff to manually identify which division/unit expenditures should be posted to, as well as modifying current processes as needed.

Concur Travel allows for input of division, unit, billing, PCA, object and expenditure codes (as well as other codes based on your financial system—Oracle/SAP/Other) at the time of booking that will be accessible in the iBank Reporting System and sortable in an excel format. The reports can be sorted to match the American Express Business Travel Account Statements so reconciliation would be simplified. An additional benefit would be the ability to have all of your Department's travel data in one repository.

In regard to the accountability that using CALTRAVELSTORE would provide, we are in full support. The reporting capabilities make reconciliation of the American Express much more efficient for Accounting staff. Even so, Concur Travel/CALTRAVELSTORE currently requires billing code, index, and PCA codes when establishing profiles. We would like to transition to agency/PRU being utilized in order to be in line with SAP and CalATERS Global.

The coding required in Concur is customizable based on your requirements. We would be happy to work with you to transition your coding structure to be in line with SAP and CalATERS Global.

We have learned from our staff, in regard to hotel charges, CALTRAVELSTORE will do a courtesy hold for the employee making reservations. The employee is then required to present his/her personal credit card at the time of check-in for payment. Therefore this will not reduce the processing of claims for Accounting.

Correct, hotels can be reserved through CALTRAVELSTORE or Concur Travel and paid with the employee's personal credit card or American Express Charge Card. For any trip where expenses are incurred, the employees would still be required to submit a claim. There would be no impact to accounting or the expense claims with the new process.

We currently have employees that utilize Concur Travel/CALTRAVELSTORE, and others who book directly online. Based on conversations with CALTRAVELSTORE, there are more users of the product that contact the travel agents directly than utilize the online Concur site. Charges to the American Express reflect the majority of our travelers incurring airfare and car rental charges book their reservations directly through SWABIZ and Enterprise. The memo states that all agencies should be using CALTRAVELSTORE within 18 months of issuance of the memo, and that direct links to SWABIZ and Enterprise will be discontinued. These two factors would mean Department-wide training would become necessary, and due to our size, would pose our biggest challenge. What methods will DGS utilize to implement training for large organizations? As a large department, we are certain that we will need DGS' assistance in doing so.

In regards to CALTRAVELSTORE reservations, 70% of reservations are currently made on Concur Travel and 30% are called into a travel agent. During your department needs assessment, we will determine specific training needs and timelines. The training options available will include: in person, webinar, train-the-trainer, conference calls, and user guides and templates. Use of SWABIZ and Enterprise websites for state travel reservations will not be discontinued until implementation and training is complete. The STP will work with you throughout the transition period and will assist in any way possible to get your travelers up-to-speed on the new system.

Due to this mandate, it is estimated that our department costs may increase by \$30,000 a year or more depending upon how/where employees travel. Currently, the majority of our travel is booked directly by the employee through SWABIZ, Enterprise and the hotel and there is no cost/fee to the department. This memo does not address added costs associated with utilizing the new portals. There is no mention of a transaction fee schedule; it appears that there might be increased costs to Departments. Current cost to employees is \$5.00 for online and \$10.00 for phone reservation.

The current booking processes require travelers to use 3 different sites to make a simple air, car and hotel reservation. Travel data is housed in various repositories and adversely impacts our ability to negotiate the best rates, track and locate our travelers, manage our travel spend, reconcile our accounts and respond to PRA's.

Our research shows state travelers spend an average of 1 hour to 1 ½ hours to make a simple air, car and hotel reservation. The time to find a hotel offering the state rate is the biggest inefficiency for our travelers.

If an agency is estimating 3,000 transactions annually at \$10 per transaction the savings in staff time would more than offset the fees. If an average (traveling) employee salary is \$40 an hour (a conservative estimate) and each transaction takes an average of 1 hour to complete, the cost in staff time is \$120,000.

It is estimated the state spends upwards of \$75 million dollars annually on lodging. Having a single booking process will give us the hotel data we need to negotiate better

rates. We capture only 1.5% with the current open booking environment. With an open booking policy we cannot capture any of the commissions when travelers book with the hotel directly. Standard commissions are between 5% and 10% on most bookings so the state is losing between \$3 million and \$7 million dollars in commissions as a result. This does not take into account the fact that the state is unable to negotiate better rates without this lodging data. Overall, it is too much to ignore.

Additionally, Concur Travel will automatically track unused tickets on Southwest. DGS was able to identify \$48,732 in unused tickets, of which \$14,065 had expired. This centralized booking process would have allowed DGS to use those funds before they expired. The amounts will vary based on an agency's travel spend, but it has proven to be significant.

Lastly, the iBank reporting system provides reports to assist accounting staff with reconciling the American Express BTA statements.

This booking process will reduce the time spent on reservations and allow state employees to complete their business objectives faster and more efficiently thereby meeting their mission to California taxpayers. Ultimately the data will give the State the ability to leverage our spend and negotiate lower rates.

The current travel agency fee structure is:

AIRLINE TICKETS

Southwest - Can include car and hotel segments

- \$12 Online using Concur Travel
- \$14 Call in reservations

ALL OTHER AIRLINE AND RAIL TICKET- Can include car and hotel segments

- \$5 Online using Concur Travel
- \$10 Call in reservations

CAR and/or HOTEL

- \$5 Online using Concur Travel
- \$10 Call in reservations

**All travel agency fees are inclusive, no additional travel agency fees for additions or changes to reservations.

Lodging expenses are capped under CalHR regulations and Bargaining Unit agreements; consequently, use of Concur Travel/CALTRAVELSTORE will not yield savings for lodging costs. Employees on travel status who incur lodging expenses also incur per diem expenses; consequently, use of Concur/CALTRAVELSTORE will not yield savings for travel claim processing. These additional costs incurred by the mandate will likely diminish the department's ability to deliver its critical mission to California taxpayers.

True, lodging costs are capped under CalHR regulations; however, a significant amount of our lodging is over the per diem and requires additional paperwork to process (STD255C). Concur Travel provides hundreds, if not thousands of lodging options on one site so travelers can make comparisons and decisions based on real time data. Travelers should not be spending an inordinate amount of time surfing multiple 3rd party hotel sites or calling the hotels when a more efficient option is now available. The use of Concur Travel will not have an impact either way on travel claims.

The additional costs would not diminish any Department's ability to deliver their mission to California taxpayers. In fact, this process improvement would provide the data we need to negotiate better lodging rates and amenities, such as parking, breakfast and WiFi.

Our department has many field employees who travel extensively. The employees generally do not have access to computers and often do not have reliable phone service at their remote worksites. Determination about lodging while on travel status is often dependent on the progress of their work during the day. Traveling employees often decide on what lodging to use when they complete work for the day and arrive at their lodging location without prior reservations.

The same applies to other employees who are called out to travel status on an urgent or emergency basis. In emergency situations, employees need to move immediately and therefore need to be able to reach someone right away, especially after hours or on weekends. However, we are still fielding concerns from our employees about long waits, not being called back, or having to call again.

The Management Memo #14-03 allows for exceptions for special circumstances.

Currently, we must call CALTRAVELSTORE to cancel or change airline reservations Will the mandate affect the cancellation and change process of airline reservations?

No, the cancellation and change process of airline reservations remain the same, at this time.

Is the cost of SWABIZ bookings on Concur is still \$12?

Yes, the cost of SWABIZ online bookings is \$12. This also includes booking car and hotel reservations.

Is it safe to add my personal credit card to my Concur Travel profile?

Yes, the credit card information stored in Concur is protected by the same state-of-the-art encryption and security used by most major financial institutions. It's safe, secure and effective.

If I let someone edit my profile, will they see my credit card information?

No, only the last 4 digits of credit cards will be displayed.