

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
 STD. 213 A (Rev 6/03)

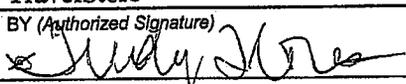
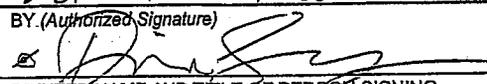
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AGREEMENT NUMBER 5149904-001	AMENDMENT NUMBER 1
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and Contractor named below:
 STATE AGENCY'S NAME
Department of General Services
 CONTRACTOR'S NAME
TravelStore Inc.
- The term of this Agreement is March 6, 2015 through April 4, 2018
- The maximum amount of this Agreement after this amendment is: \$1,800,000
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
 - Exhibit A-1 has been added to incorporate details of Scope of Work, Section 2- Contractor Personnel and Qualifications and Section 19- Performance Reviews/Service Level Agreements.
 - Attachment 11- Technical Proposal Response is incorporated into the contract.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only 
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) <u>TravelStore</u>		
BY (Authorized Signature) 	DATE SIGNED (Do not type) <u>12/20/15</u>	
PRINTED NAME AND TITLE OF PERSON SIGNING <u>Trudy Flores, Sr. Vice President/ General Manager N CA</u>		
ADDRESS <u>1750 Howe Avenue, Suite 320, Sacramento, CA 95825</u>		<div style="border: 2px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> APPROVED JAN 26 2016 OFFICE OF LEGAL SERVICES DEPT. OF GENERAL SERVICES </div> <p><input type="checkbox"/> Exempt per: _____</p>
STATE OF CALIFORNIA		
AGENCY NAME <u>DEPARTMENT OF GENERAL SERVICES</u>		
BY (Authorized Signature) 	DATE SIGNED (Do not type) <u>1/13/16</u>	
PRINTED NAME AND TITLE OF PERSON SIGNING <u>DIANE LEUNG, MAUI SUPERVISOR</u>		
ADDRESS <u>707 3rd Street, 2nd Fl. West Sacramento CA 95605</u>		

KC 1/27/16 10:52

AGREEMENT NUMBER 5149904-001
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
 Department of General Services

CONTRACTOR'S NAME
 TravelStore Inc.

2. The term of this Agreement is: March 6, 2015 or upon DGS approval through April 4, 2018

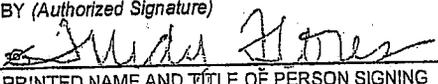
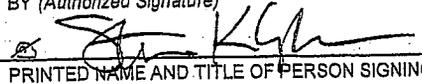
3. The maximum amount of this Agreement is: \$1,800,000

4. The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement.

This contract is to provide Travel Management Services to State and local government agencies per RFP 5149904.

- Exhibit A - Scope of Work, 10 pages
- Exhibit B - Budget Detail and Payment Provisions, 1 page
- Exhibit C - General Terms and Conditions (GTC 610) effective 6/9/2010, 4 pages
- Exhibit D - Insurance, 2 pages
- Exhibit E - Cost Proposal, 1 page
- Exhibit F - Bidder Declaration Form, GSPD-05-105

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only	
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) TravelStore Inc.		yjs	
BY (Authorized Signature) 	DATE SIGNED (Do not type) 3/5/15	<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: auto;"> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">APPROVED</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">MAR 11 2015</p> <p style="text-align: center; font-weight: bold; font-size: 0.8em;">OFFICE OF LEGAL SERVICES DEPT. OF GENERAL SERVICES</p> </div>	
PRINTED NAME AND TITLE OF PERSON SIGNING Trudy Flores			
ADDRESS 1750 Howe Avenue, Suite 320, Sacramento, CA 95825			
STATE OF CALIFORNIA		<input type="checkbox"/> Exempt	
AGENCY NAME Department of General Services			
BY (Authorized Signature) 	DATE SIGNED (Do not type) March 5, 2015		
PRINTED NAME AND TITLE OF PERSON SIGNING Jim Butler, Deputy Director			
ADDRESS 707 Third Street, 2 nd Floor West Sacramento, CA 95605-2811			

The term of this contract is December 15, 2014 or upon signature and approval of the Department of General Services (DGS) designee, whichever occurs last, through April 4, 2018. The time period between the contract award and the "Go Live Date" must be used by the incoming contractor to prepare to initiate service on April 5, 2015 at no cost to the DGS. Payment of monthly Management Fee shall not commence until April 5, 2015. The DGS may, at its sole option, execute any of the optional two year extensions.

Termination for convenience: In addition to any other provision of this contract, the DGS Procurement Division (PD), on behalf of the Office of Fleet and Asset Management (OFAM) Statewide Travel Program (STP), may terminate this contract or cancel a portion of the service for any reason by giving the Contractor a minimum of thirty days written notice.

1. DEFINITIONS

State Employee

For the purpose of this contract, a State employee is an officer or employee of the Executive Branch of California State Government.

Optional Users

In addition to the officers and employees of the Executive Branch, the following may, but are not required to, obtain travel services under this contract providing they are on authorized State business and/or authorized 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), the California State Districts Association

(CSDA), the California State Association of Counties (CSAC) or affiliated organizations. Whenever the term "State business" is used in this contract that term shall be read to include--with respect to travel undertaken under the authority of local agencies, CLC, CSDA, CSAC or the affiliated organizations referred to herein--the official business of those entities.

- g) California State University System (CSU), University of California System (UC) and California Community Colleges (CCC):
Persons on official business for higher level education within California 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.
- h) 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.

Travel Arranger

Individual responsible for making travel reservations with the Travel Management Services (TMS) provider. The Travel Arranger may or may not be the Traveler.

Travel Coordinator

A single point of contact responsible for serving as the liaison between the STP and each state department. The Travel Coordinator is responsible for coordinating travel requirements with the TMS provider, ensuring compliance with state travel policies, and issuing authorization (if requested) for the travel services.

2. CONTRACTOR PERSONNEL AND QUALIFICATIONS

- a) Contractor shall provide one onsite manager who shall be dedicated full time to the Contract. The onsite manager shall work closely with the DGS Contract Administrator and Travel Manager, and is responsible for communicating and resolving customer complaints, billing complaints, contract matters and errors on behalf of the Contractor. The onsite manager shall have at least five years of experience in the delivery of volume travel services of at least 25,000 transactions per year.
- b) Contractor shall provide dedicated travel agents in sufficient number to meet all service requirements of this contract. Each travel agent shall have at least three years of experience in arranging domestic travel and shall be experienced in using the GDS and ticketing equipment to be used in performance of the contract. At least two of the travel agents shall be an international specialist with at least five years of experience handling complex international travel. At least two of the agents shall have at least three years of experience in booking group travel. The travel agents shall be familiar with the state's travel policies and regulations and the requirements of this scope of work.
- c) Contractor shall assign an accounting person. This individual will assist in handling disputes arising from debit memos, lost tickets, refunds, credits and service fees. This individual shall also provide support services for payment system reconciliation and reporting.
- d) After contract award, Contractor shall provide resumes for the onsite manager and the travel agents within 60 days.
- e) Contractor shall have work performance monitored on an agreed upon evaluation time period to ensure productivity standards are met.

- f) Appropriate travel agent backup support shall be provided as necessary to ensure continuity of service, regardless of call volume or travel agent absence.
- g) Contractor shall provide additional travel agents to maintain the appropriate service levels.
- h) Contractor shall be able to accommodate an increase in usage within the State travel program.
- i) Contractor shall be knowledgeable of and in compliance with all applicable laws, ordinances, rules, regulations and orders of the city, county, state and federal or public bodies having jurisdiction affecting worldwide travel services.
- j) Contractor shall be held responsible for all agent errors. The Contractor shall pay the difference between the rate charged for transportation fares, lodging, rental vehicle, and the lowest available rates for such services. Appropriate documentation for the errors will be required.
- k) Contractor shall be held responsible for the payment of any debit memos.

3. SERVICE HOURS

- a) Contractor agents must log into the DGS phone system daily and work the dedicated toll-free and local telephone number for routine travel reservations during normal business hours Monday through Friday, 8:00 AM to 5:00 PM Pacific Time, excluding weekends and state holidays.
- b) Contractor shall provide adequate service to meet the Scope of Work during normal business hours.
- c) Staffing support shall be provided for scheduled and unscheduled absences for the travel agents and travel manager.
- d) Contractor shall provide a live agent for service any time outside of normal business hours. The after hours service must have access to the Contractor's system for making changes and reservations for travel, and have the capability to provide all travel services.

4. OFFICE SPACE

DGS shall provide cubicles, telephones, monthly telephone ACD service, voice data lines, and utilities for those contractors onsite to generate travel reservations. Onsite personnel will be given an access badge for building entrance. A parking garage adjacent to the DGS is currently available for \$60 a month and is subject to increase at any time. The DGS is not responsible for the agents' parking or transportation costs.

If needed, the DGS will provide a locked storage closet where the onsite agents can secure their printers, server, etc. Any additional hardware and supplies associated with the contract shall be provided by the Contractor. This includes, but is not limited to, chairs, desktop PCs, printers, and headsets.

Contractor shall abide by all current Enterprise Technology Solutions (ETS) policies and procedures for Internet which can be located at: <http://www.dgs.ca.gov/iso/Policy.aspx>

5. ONLINE BOOKING TOOL

- a) Contractor shall provide an industry-wide recognized online booking tool, made available 24 hours a day, 7 days a week.
- b) Contractor shall create and customize each state department or optional user online site to meet its travel needs at no cost to the DGS.
- c) Contractor shall provide support that will include unlimited training for all users on the use and functionality of the tool, online user support, and printable user guides/tutorials.
- d) Contractor's online booking tool must:
 - i) provide access to live inventory in all GDS markets to ensure travelers have access to the lowest fares available.
 - ii) provide the ability to facilitate Direct Connect bookings with Southwest Airlines using the latest technology.

- iii) provide full content and full functionality with non-ARC participating carriers, specifically Southwest Airlines.
- iv) provide the capability to input and transmit a rapid rewards number at the time of reservation.
- v) provide real-time fare searching capability (i.e. airline and hotel).
- vi) provide the capability to book one-way trips, round trips, and multi-segments trips.
- vii) provide the capability to add a car or hotel to a previously completed air reservation and include the additional reservation information on the original itinerary.
- viii) provide the capability to save, clone and share trips.
- ix) offer a secure, password protected site preventing unauthorized access.
- x) provide the capability guest traveler booking functionality.
- xi) provide access to all smartphone and tablet applications.
- xii) permit the use of the major ARC (Legacy Carriers) and non-ARC (Southwest and other Low Cost Carriers [LCC]) participating carriers.
- xiii) permit the use of online changes and exchanges (change-modify functionality) for non-ARC participating carriers, specifically Southwest Airlines.
- xiv) permit the use of online changes to be made by the traveler (primary method) and the GDS (secondary method).
- xv) contain a payment authorization system that allows for multiple billing/payment options which include payment by personal credit card and/or the BTA.
- xvi) provide a pre-trip approval process to obtain multiple levels of approval via an automated process.
- xvii) provide the capability to hold a reservation.
- xviii) capture information about the travel arrangements at the time of booking, i.e. travel itinerary details and trip approvals.
- xix) track and display onscreen to the user unused tickets for all airlines by traveler name and provide residual value to the user as part of the booking process.
- xx) book AMTRAK tickets for California routes.
- xxi) support specific departmental policy identifying acceptable and non-acceptable travel rules.
- xxii) capture customized fields to track required data (i.e. travel approval numbers, cost centers, billing/accounting codes, etc.).
- xxiii) identify all state-contracted airfares and preferred travel vendors with an icon.
- xxiv) identify and display state certified green hotels with customized icons and sort by priority within the lowest rate available.
- xxv) provide carbon footprint data for any component of a trip where it is available.

6. ELECTRONIC AND INFORMATION TECHNOLOGY ACCESSIBILITY

- a) Within six months of the "Go Live Date", and prior to each subsequent release, the Contractor shall document that the online booking tool complies with all applicable technical and functional performance criteria, as determined by customer agencies, of:
 - i) Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in 36 CFR 1194, "Electronic and Information Technology Accessibility Standards;" and
 - ii) Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.) including, but not limited to, compliance with the accessibility standards of the Web content Accessibility Guidelines (WCAG) 2.0 Level AA for web-based applications and other electronic and information technology.
- b) The Contractor shall include accessibility testing in the Software Development Life Cycle (SDLC) for all releases and certify, in its release notes, that the release complies with the accessibility standards specified in Paragraph 1.
- c) The Contractor shall, at a minimum, conduct a regression test annually for conformance to accessibility standards specified in Paragraph 1 and publish a test report that documents the test plan, tools, methodologies followed, and the results.

- d) The Contractor shall conduct required accessibility testing using commonly available assistive technology products, including but not limited to, screen reading software, screen magnification software, braille displays, and speech recognition software.
- e) All electronic documentation, training materials, and challenge response password systems must also meet the applicable accessibility standards specified in Paragraph 1.
- f) During the course of the contract, the Contractor shall, at all times, be prepared to provide improved or additional accessibility through the continued application of new or revised Web Content Accessibility Guidelines (WCAGs) and as determined necessary by the state to ensure employees with disabilities are able to independently acquire the same information, engage in the same interactions, and enjoy the same services within the same timeframe as individuals without disabilities, with substantially equivalent ease of use.
- g) The DGS shall have the final authority to determine whether the online booking tool, subsequent releases thereof, and all electronic documentation and training materials comply with the accessibility requirements of Paragraphs 1 and 6. In the event that a deficiency is identified, the Contractor shall promptly correct the problem to the satisfaction of the DGS.

7. TRAVELER PROFILES

- a) Contractor shall maintain traveler profiles, with the capability of adding, changing or deleting profiles.
- b) Contractor shall train authorized staff on how to add, change or delete profiles.
- c) Contractor shall have a data feed capability within the online booking tool for loading and creating multiple new users at one time.
- d) Contractor shall provide automatic profile synch technology.
- e) Contractor shall, upon request, establish detailed traveler information profiles to record and accommodate traveler's preferences.
- f) Contractor shall ensure that all profiles are kept current with information provided by the DGS.

8. AGENT SERVICES

- a) Contractor shall provide the DGS with a dedicated ARC number, International Air Transport Association (IATA) number, and pseudo city code. Contractor is responsible for all associated fees and must maintain them at no cost to the DGS for the entire term of the contract.
- b) Contractor shall provide professional travel agent and related services to assist the state in meeting its travel needs for various types of domestic and international business travel.
- c) Contractor shall schedule, book and ticket air transportation, rail, rental car, and hotel reservations, and other travel requirements as necessary, for individual and group travelers traveling on behalf of the State.
- d) Contractor shall have the ability to access the state-contracted, discounted airfares and city pairs.
- e) Contractor shall have the ability to book and integrate non-GDS/non-ARC carriers and the data within the booking process.
- f) Contractor shall provide each traveler and agency/department with a complete electronic trip itinerary.
- g) Contractor shall secure reservations via a GDS and provide automation to monitor fares on a scheduled basis for the reissuing of tickets when the fare has decreased.
- h) Contractor shall offer the lowest available rates and fares for all travel reservations.
- i) Contractor shall verify rates and fares for all tickets issued. In the event fares are reduced, the Contractor shall search out affected tickets and shall reissue them at lower rates.
- j) Contractor shall make all necessary changes or adjustments in travel documents that may be required due to rescheduling on the part of the state or on part of the traveler prior to the trip or during the trip.
- k) Contractor shall provide credits or refunds for travel services not utilized within seven (7) days of the cancellation or change.

- l) Contractor shall issue a credit on downgraded exchanged tickets to the department/agency originally billed for the ticket. When a department/agency applies for a credit, the Contractor will promptly process the necessary paperwork and the credit should be applied to the Business Travel Account (BTA). Under no circumstances shall the Contractor provide any state employee with a cash refund on tickets for official business travel.
- m) Contractor shall comply with each specific departmental travel policy and trip approval requirements as specified by the department or Optional User. Contractor shall document Passenger Name Record (PNR) with exception documentation, reason codes and low fare comparison.
- n) Contractor shall make a timely effort to notify travelers of airport closings and canceled or delayed flights.

9. GLOBAL DISTRIBUTION SYSTEM (GDS)

- a) Contractor shall work in conjunction with the Statewide Travel Program (STP), to install, at no cost to the DGS, a GDS, and all equipment necessary to operate the systems (including gateway file servers, modems, back-up systems, itinerary printers, ticket printers, cables, etc.) for the travel agents. The DGS will allow the Contractor's equipment and systems to be located at the onsite DGS location or the Contractor's main office. If the ticket printer is located off-site, the Contractor shall ensure the paper tickets are brought to the onsite DGS location.
- b) Contractor shall comply with the requirements for transportation through customized GDS scripting, automated quality control system, and low fare search software to insure the lowest logical fare has been booked in accordance with the travel policies and regulations.
- c) Contractor shall be responsible for maintenance and repairs of the GDS system and printers. When a new version of the GDS program is available, the Contractor shall install and keep all equipment and related software upgraded.

10. TICKET DISTRIBUTION

- a) Contractor shall distribute all tickets accurately.
- b) Contractor shall prepare and process paper documents when electronic tickets are not available.
- c) Contractor shall deliver customized e-ticket itineraries and receipts as requested via email.
- d) Contractor shall deliver all tickets no later than two (2) working days prior to the traveler's scheduled departure, or earlier if requested by the traveler. For bookings within two (2) days of departure, ticketing should be as soon as possible.

11. QUALITY CONTROL

- a) Contractor shall provide a Quality Control Program to ensure reservations are correctly booked and documented.
- b) Contractor shall ensure all PNR are evaluated for accuracy and completeness.
- c) Contractor shall have the automated capability to complete pre-trip audits to ensure that the bookings/fares are adjusted to the lowest logical fare.
- d) Contractor shall have an automated program in place to identify, track and recover value from unused tickets. Users shall be advised, as part of the ongoing booking process, of any unused tickets that can be exchanged to offset costs applicable to a new ticket. Reports must be generated to ensure that no unused ticket expires.
- e) Contractor shall communicate all travel industry issues to the STP, DGS and optional user Travel Coordinators, and Travelers.

12. SECURITY AND DISASTER RECOVERY

- a) Contractor shall create, publish, maintain and deploy disaster recovery plans.

- b) Contractor shall ensure that data is only accessed and used for the purpose of performing the activities that are subject to the contract, and only by those Contractor personnel who require access to perform such activities.
- c) Contractor shall fully cooperate with the state's efforts to investigate any incident and provide notice to the STP, the individuals whose data was involved, and to others as required by law or deemed appropriate by the State.
- d) Contractor shall identify and repair software bugs or other security gaps that may expose state data to risk of unauthorized access or use.
- e) Contractor shall not share state data with any third party except as required by state or federal law or a valid court order, or with prior written consent from the employee whose records would be disclosed.

13. MANAGEMENT REPORTS

- a) Contractor shall provide and maintain an industry standard back office accounting and reporting system to produce all required management reports.
- b) Contractor shall provide training to the STP, accounting staff and travel administrators on the online reporting tool.
- c) Contractor shall have the ability to track expenses by categories, department name, accounting/billing codes, vendor, volume and traveler.
- d) All transactions processed through the after hours service center will be included in the monthly travel management reports and financial reconciliation.
- e) Contractor shall provide management reports to the STP and its program users upon request or at regularly defined intervals. All data is owned by the DGS and may be reported to a designated data aggregation service provider.
- f) Contractor shall provide standard commercial and custom reports which includes, but is not limited to, pre and post-trip reporting, fare savings/lost savings, missed opportunities, policy compliance reporting, exception reporting, top travel/markets/vendors, reconciliation reports, travel booking analysis, online vs. offline transactions, crisis management reporting, unused ticket reporting, and class of service required by travel policies and regulations.
- g) Contractor shall provide a monthly billing summary detailing the management fee charges and the commissions/credits received each month.
- h) Contractor shall provide unlimited training on the use and functionality of the reporting system.
- i) Contractor shall deliver to each state department and optional user a monthly credit card reconciliation and/or activity billing detail to include transactional detail as necessary to properly associate charges with tracked expenses.
- j) Contractor shall provide a quarterly report card that will benchmark the state against industry standards. In addition, a report card will be established for optional users to benchmark their travel.
- k) Contractor shall provide a report which includes an account summary review at the end of the calendar year and/or fiscal year.

14. SUPPLIER COMMISSIONS, INCENTIVES AND OVERRIDES

- a) Contractor shall return all commissions, incentives and overrides to the DGS.
- b) Contractor shall have systems in place to track all commissions, incentives and overrides earned by the Contractor through booking state business related travel, including air, rail, hotel, car rental, and GDS.
- c) Contractor shall provide the DGS with a monthly report of all commissions, incentives, and overrides received during the month.
- d) Contractor shall provide the DGS with an electronic and/or hardcopy bank statement to include all transactions, including monthly interest.

- e) Contractor shall establish and maintain an interest bearing account (STP Account) and deposit all commissions, incentives and overrides into the STP Account as received on a monthly basis. Any and all disbursements from the STP Account must be approved by the DGS.

15. RECONCILIATION

- a) Contractor shall develop a reconciliation process utilizing data captured through the reporting tool, including reconciliation procedures or programs, such as written guides and computerized programs to assist state department and optional users with reconciling monthly statements, credits, disputed items and fraud alert procedures.
- b) Contractor shall be able to reconcile and resolve any problems associated with reservations and tickets (includes air, rail, lodging and car rentals).

16. TRAINING

- a) Contractor shall provide regularly scheduled training sessions and webinars. In addition, as needed, facilitate and coordinate travel planning and management at STP's request.
- b) Contractor shall provide training programs for travelers, travel administrators, and travel coordinators.
- c) Contractor shall help plan, prepare and present programs on travel related topics at quarterly Travel Coordinator meetings.
- d) Contractor shall be available for individual state agency and department implementation meetings.

17. STATE TRAVEL CONTRACTS

a) AIR CONTRACTS

- (i) Contractor shall ensure that only authorized users of the STP are given access to the State air contracts.
- (ii) Contractor shall reserve air travel utilizing the State's airfare travel services contract within the State's airfare policies.
- (iii) Contractor shall charge the agency or department's BTA for airline transportation.

b) CAR RENTAL CONTRACT

- (i) Contractor shall ensure that only authorized users of the STP are given access to the car rental contract.
- (ii) Contractor shall reserve commercial car rentals utilizing the State's commercial car rental contract within the State's car rental policy.
- (iii) Contractor shall use the required form of payment per the commercial car rental contract. Currently, the Car Rental Business Travel Account (CRBTA) is the form of payment for state department car rental reservations.

c) LODGING

- (i) Contractor shall ensure that only authorized users of the STP are given access to the preferred lodging program.
- (ii) Contractor shall offer hotel properties certified by the California Green Lodging Program. If there is a state per diem green hotel in the traveler's preferred location, the Contractor must offer that hotel as the first option.
- (iii) Contractor shall make available to the State any guaranteed corporate or other discount rates it has negotiated with hotels/motels that are at per diem or less rates. State government

travelers utilize the current lodging per diem. For current lodging per diem rates, refer to <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx>.

- (iv) Contractor shall continue to pursue hotel contracts to negotiate state government rates.
- (v) Contractor shall ensure that their negotiated rate or the government rate is always requested. Where the State has agreements with hotels/motels for discounted government rates, or is able to obtain lower rates than offered by the Contractor, the Contractor shall obtain such rates or lower rates. The State reserves the right to utilize direct access to conference or other types of negotiated rates for hotels when available to obtain the lowest rate. The Contractor shall obtain suitable accommodations within a reasonable proximity to the traveler's ultimate destination.
- (vi) Contractor shall provide lodging reservations which includes initiating and confirming reservations and confirming the rate at which the reservation is made. When a reservation is completely canceled, the Contractor is responsible for canceling the accompanying lodging reservations unless requested not to do so.

18. SUBCONTRACTING

- a) Contractor shall not subcontract with any other travel agencies per the ARC regulation that a group of travel agencies may not use the same ARC number.

19. PERFORMANCE REVIEW/SERVICE LEVEL AGREEMENTS

- a) Contractor shall participate with the STP in monthly and/or quarterly meetings to review performance during the term of the contract.
- b) Contractor shall at all times allow the STP or a duly authorized representative of DGS to conduct such onsite observation and monitoring of the performance of the services including conducting audits of expenses and revenues. In addition, DGS retains the right to perform random reviews to ensure receipt of all applicable discounts, commissions, and benefits from various vendors.
- c) Contractor shall report on dedicated staff performance, including phone performance, phone monitoring, agent productivity, and customer comments/issues.
- d) Contractor shall investigate each client complaint and provide a response to the client and the STP within two business days.

20. TRANSITION PLAN

The DGS requires a smooth and orderly transition from the Contractor to any successor contractor to ensure minimum disruption and avoid decline in service.

- a) Both incoming and incumbent Contractors shall have a transition plan for assuming and/or transitioning the work outlined within this contract.
- b) Both incoming and incumbent Contractors shall have a mechanism in place for transferring, exporting and/or receiving traveler profiles.
- c) Incumbent Contractor shall book all requests it receives prior to contract expiration regardless of the date of commencement of travel.
- d) Incumbent Contractor shall issue tickets for booked travel that commences after the transition date.
- e) Both incoming and incumbent Contractors shall cooperate fully if for any reason there is a change in Contractor due to contract termination or expiration.
- f) Both incoming and incumbent Contractors shall, upon written notice, furnish phase-in, phase-out services for up to sixty (60) days prior to the expiration date of the contract.

21. IMPLEMENTATION

- a) Upon DGS approval of implementation plan, Contractor shall adhere to the implementation plan as attached hereto.
- b) Contractor shall assign a project manager as a dedicated point of contact during implementation.
- c) Contractor shall attend meetings as required with the STP during the implementation.

22. STATE TRAVEL WEBSITE

- a) Contractor shall develop a user-friendly website where travelers log in for their government travel. The website will direct users to the appropriate travel sites (i.e. online booking tool, reporting tool), provide training, forms, FAQ's, travel news, updates and other helpful travel information.
- b) Contractor's website shall comply with the accessibility requirements as stated in Section 6, Electronic and Information Technology Accessibility, of the Scope of Work.
- c) Contractor shall be responsible for maintaining the website and performing any necessary IT updates.
- d) Contractor, in agreement with the STP, shall name the TMS provider and web URL. The STP has the ultimate authority in determining the onsite travel agency name.

Exhibit A-1

Productivity Standards

In accordance to Exhibit A – Scope of Work, Section 2, Item e), Contractor's work performance will be monitored to ensure productivity standards are met. Contractor agrees to meet the below:

- a) Traveler Satisfaction – Contractor shall conduct surveys quarterly. Scoring is determined on each individual survey on a scale of 1-5 (5 being the highest). Survey scores are totaled and then divided by the number of surveys to calculate the average. Contractor shall maintain an overall service satisfaction of no less than 81 percent.
- b) Customer Service Issues – Customer Service issues will be logged by categories as mutually agreed upon by the Contractor and the State. The categories provide trend information to help understand what types of calls customer service is handling. Contractor and the State shall agree to establish targets to reduce certain categories.
- c) Hold Time – Telephone system hold times shall be an average of eight (8) minutes or less per month.
- d) Agent Productivity (per agent per day worked) – Average agent productivity for an account or team shall be calculated as follows: Total Transactions per month divided by the number of agents. Contractor agrees to maintain an average agent productivity standard of 320 transactions per month.
- e) Abandon Rate – Contractor agrees to manage abandon rates for calls abandoned by callers. Contractor will use phone activity reports provided by the State to identify the number of abandon calls, which is then divided by total calls offered to calculate the abandon rate as a percentage. Contractor agrees to meet an abandon rate of 6%.

Travel Agency Staff Thresholds

In accordance with Exhibit A – Scope of Work, Section 2, item g), Contractor shall provide additional travel agents to maintain the appropriate service levels. If one or more of the following criteria are met, Contractor agrees to add travel agent staff.

- a) Contractor does not meet productivity standards in Exhibit A-1 for three continuous months. Each service level category will be considered individually. However, the State may determine the need for action based on the Contractor's overall performance.

1st Month: identify the issue and analyze the root cause or reason for not meeting the service level; document findings and draft recommendations if necessary; and implement a corrective action plan.

2nd Month: advise and engage Contractor's and State's senior management to establish of a timeframe for the implementation of the corrective action plan(s); and appropriate remedial measures to resolve the issue(s).

3rd Month: hire agent(s) to meet service levels; re-evaluate measurements where performance is not in compliance with the agreed upon targets.

- b) The number of agent processed transactions exceeds an average of 375 per month.
- c) One million dollars in program growth through the implementation of either a large account or multiple small accounts that rely on agent assisted transactions, i.e. where use of Concur is anticipated to be low.

1. Invoicing and Payment

a) Monthly Fixed Management Fee

- (i) Commencing April 5, 2015, for services satisfactorily rendered, and upon receipt and approval of the invoices, the DGS agrees to compensate the Contractor in accordance with the Monthly Fixed Management Fee specified in Attachment 13 (Table 13-1), which is attached hereto and made a part of this Agreement.
- (ii) Invoices shall be submitted monthly in arrears of the service performed and must be submitted with contractors letterhead information, signed by an authorized representative, and shall include:
 - Agreement Number
 - Date of Invoice
 - Monthly Fee
- (iii) Invoices shall be submitted to the following address:

Department of General Services
Office of Fleet and Asset Management
Statewide Travel Program
Attn: Kelly May
707 3rd Street, 3rd Floor MS 600
West Sacramento, CA 95605

b) Transaction Fee

- (i) All transaction fees will be charged per ticket to the user or traveler's applicable department, agency or government entity's American Express Business Travel Account (BTA) or government card.
- (ii) DGS is not responsible for any other user or traveler's transaction fees.
- (iii) Transaction fees are identified in Attachment 13 (Table 13-2), which is attached hereto and made a part of this Agreement.

2. Budget Contingency Clause

- c) It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Agreement and the Contractor shall not be obligated to perform any provisions of this Agreement.
- d) If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement Amendment to the Contractor to reflect the reduced amount.

3. Prompt Payment Clause

- a) Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

1. General Provisions Applying to All Policies

- a. Coverage Term – Coverage must be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. New certificates of insurance are subject to the approval of DGS, and the contractor agrees that no work or services will be performed prior to such approval. The State may, in addition to any other remedies it may have, terminate this contract should contractor fail to comply with these provisions.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Contractor is responsible to notify the State within 5 business days of any cancellation, non-renewal or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- c. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Department of General Services. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligations under the contract.

2. Commercial General Liability

Contractor will maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy will include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance will apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

The policy must include The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.

This endorsement must be supplied under form acceptable to the Department of General Services. In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, Contractor will include all subcontractors as insured's under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Contractor.

3. Commercial Automobile Insurance

Contractor will maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance will cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

The policy must be endorsed to include The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.

4. Workers' Compensation and Employer's Liability

Contractor will maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required. When work is performed on State owned or controlled property the **Workers' Compensation policy will be endorsed with a waiver of subrogation in favor of the State.**

5. Certificate of Insurance

The Certificate(s) of Insurance will provide the above listed coverages and endorsements and the Certificate Holder will read:

Department of General Services
Office of Fleet and Asset Management
707 Third Street, 3rd Floor
West Sacramento, CA 95605

ATTACHMENT 13**Cost Proposal**

As noted in the SOW, this is a two-part cost model: a monthly fixed management fee and a transaction fee. The two fees combined are inclusive of all work in the contract. Each proposer must bid both a monthly fixed management fee and a transaction fee in order to be responsive. No alternate cost proposals will be accepted. If alternate or additional cost proposals are submitted, the proposal will be deemed non-responsive.

MONTHLY FIXED MANAGEMENT FEE

DGS requires a monthly management fee charged by the TMS provider to DGS. The fee will be fixed during the first three years of the contract term and can be increased up to 3% per each optional contract extension.

The monthly fixed management fee must not include incentives, commissions and overrides.

Cost Table 13-1
Monthly Fixed Management Fee

Description	Monthly Fee (during years 1-3)	Monthly Fee (during years 4-5*)	Monthly Fee (during years 6-7*)
Management Fee	\$ 50,000 (A)	\$ 51,500 (B)	\$ 53,000 (C)

TRANSACTION FEE

DGS desires a simplified transaction fee structure. Based on the state's volume of travel and service requirements, propose transaction fees for all travel reservations including all non-ARC participating carriers, specifically Southwest Airlines, the state's primary domestic carrier. The following transaction fee requirements apply:

- There will be no compound transaction fees or after hours fees. Compound transaction fees are defined as: fees added and/or combined as a result of a change in the reservation process, such as the addition of a car or hotel to an existing reservation or going from an online to an agent assisted reservation resulting in the final cost including the assessment of multiple fees.
- There will be no online or offline transaction fees for changes, voids, refunds or exchanges.
- The DGS shall not pay for, and the transaction fees shall not include, value-added services. This includes risk management services, frequent flyer status matches, and upgrade assistance.
- The online transaction fee will change to an agent-assisted transaction fee when agent intervention is required for post-ticketing changes. This allows for a one-time maximum fee equal to the agent assisted fee, but not a total of both fees.
- Changes and exchanges to an existing reservation handled through the after-hours service will incur the after-hours fee in addition to the original fee charged for the online or agent assisted reservation. After-hours calls that result in a new reservation shall only be charged the after-hours fee.

Cost Table 13-2
Transaction Fee

Service/Description	Online Transaction Fee	Agent Assisted Transaction Fee
Air/Rail/Car/Hotel*	\$ 7 (D)	\$ 12 (E)
Hotel and/or Car Only Reservation	\$ 5 (F)	\$ 12 (G)
After Hours (Per Call)	N/A	\$ 16 (H)

*Flat fee for booking any combination of domestic or international air, rail, car, and hotel.