



# Pact uses AmEx to pinpoint costs

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Expanding an already close business alliance, the state has struck a deal with American Express Co. to launch a meetings and conference management program that officials hope will save California taxpayers millions of dollars.

The new effort, put in place without fanfare on July 1, was described in a state memo obtained by The Bee and confirmed by Department of General Services officials.

It affects staff at more than 240 state departments, boards and commissions.

The program aims to pinpoint what the state spends annually to either hold or attend private and public meetings, conferences, trade shows, job fairs and other events, and where such events are held.

"The problem we've had, until now, was that we didn't have any way of capturing what and how much was being spent," said Eric Lamoureux, a General Services spokesman.

Now, state officials are requiring organizers or hosts of every state conference, meeting or event to pay for their function using their state AmEx cards or AmEx travel account. Ditto for state workers attending events.

Officials will analyze the comprehensive AmEx billing information and use it to negotiate lower rates with lodging and conference facilities providers, Lamoureux said.

Though a positive deal for the state and the New York-based financial services giant, it's a mixed bag for hotel and conference managers in the capital and elsewhere, according to Jim Abrams, president of the California Hotel & Lodging Association.

Businesses will be paid faster. Yet they also may turn over a bigger share of their fees and earnings to AmEx and their own banks that charge transaction processing fees, instead of getting a straight check from the state, Abrams said.

"People want the government business, especially in these slower times. The business is good," Abrams said. "Whatever negatives there might be, a lot of them will be offset because hotels will get paid faster. Getting paid sooner is always better."

Businesses can be paid as quickly as in three days, instead of the current 30 to 45 days it traditionally takes many state agencies to process invoices and issue payments by check and deliver them by mail.

Donna Carey, statewide travel manager for the Department of General Services, said the new AmEx payment system will allow California to get a bigger bang for its conference and meeting budgets.

Carey is creating a new meetings and conferences office to help departments or agencies book events and facilities for free, leaving staff at smaller ones to perform primary tasks.

"It's a marvelous opportunity," Carey said.

Added Gregory Sandin, a General Services deputy director: "If you build it, they will come. We'll have the expertise and technology to get the best rates and fares."

Expenses that must now be charged to the AmEx card or account include exhibit space, audio-visual and telecommunication fees, meeting planner or consultant fees, and airfare, ground transportation or shuttle fees to and from meetings.

Abrams said he wants General Services to reach out and explain the new system to the lodging industry so nobody is caught by surprise. Briefings have already started.

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