

STATE OF CALIFORNIA
STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER

3145824

REGISTRATION NUMBER

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

STATE AGENCY'S NAME

California Department of General Services, Office of Fleet and Asset Management

CONTRACTOR'S NAME

Travel Store, Inc.

2. The term of this Agreement is: April 5, 2010 or DGS signature and approval, through April 4, 2012, whichever occurs last

3. The maximum amount of this Agreement is: \$1,712,000.00 One million seven hundred twelve thousand dollars and 00/100

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

Exhibit A – Scope of Work	12 Pages
Exhibit B – Budget and Payment Provisions	2 Pages
Exhibit B – Attachment 1 (Cost Proposal RFP Attachment 4.A – Online Booking Fee)	1 Page
Exhibit B – Attachment 2 (Cost Proposal RFP Attachment 4.B – Management Fee)	1 Page
Exhibit C * – General Terms and Conditions	GTC-307
Exhibit D – Additional Provisions	1 Page
Exhibit E – Attachment 3 - Contractors, Detailed Response	74 Pages
Exhibit F – Attachment 4 - Contractors, Implementation Plan	19 Pages

* This item is hereby incorporated by reference and made part of this agreement as if attached hereto.
This document can be viewed at www.ols.dgs.ca.gov/Standard+Language

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

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

Travel Store, Inc.

BY (Authorized Signature)

Trudy Flores

DATE SIGNED (Do not type)

3/29/10

PRINTED NAME AND TITLE OF PERSON SIGNING

Trudy Flores – Senior Vice President

ADDRESS

855 Howe Avenue, Suite 5
Sacramento, CA 95825

STATE OF CALIFORNIA

AGENCY NAME

CA Department of General Services

BY (Authorized Signature)

Rob Cook

DATE SIGNED (Do not type)

4/14/10

PRINTED NAME AND TITLE OF PERSON SIGNING

Rob Cook, Acting Deputy Director

ADDRESS

707 Third Street; West Sacramento, CA 95605

California Department of General
Services Use
Only

BK

APPROVED
APR 20 2010
DEPT OF GENERAL SERVICES

Exempt per:

[Signature]

EXHIBIT A

The Department of General Services (DGS), Office of Fleet and Asset Management (OFAM), Statewide Travel Program (STP) is procuring services for a Travel Management Service. The Little Hoover Commission and the California Performance Review (CPR) recommended that the State of California centrally manage its travel expenditures. It was identified that State needed to avoid incurring costs that were higher than necessary for airlines, car rentals, lodging/hotels, meetings and conferences. The State Travel Program determined that creating a Travel Management Service, the State can effectively provide consistency, accountability and transparency for state travel expenditures.

SCOPE OF WORK

The term of this contract will be a two (2) year period upon signature and approval of the DGS or April 5, 2010 whichever occurs last through April 4, 2012. The DGS will have the sole option to extend the contract term upon agreement with the Contractor, for three (3) one-year terms.

Termination for convenience: In addition to any other provision of this agreement, the Department of General Services (DGS), Office of Fleet and Asset Management (OFAM), on behalf of the State Travel Program (STP), may terminate this agreement or cancel a portion of the service for any reason by giving the Contractor a minimum of 30 days written notice.

The Contractor shall provide or arrange the travel services and cancel the same services on request within the contract requirements.

The DGS will request that the Contractor provide a new dedicated ARC number until the DGS has been fully accredited. Once obtained, the Statewide Travel Program (STP) will provide the Contractor with the State of California ARC number, along with ticketing capabilities, with the implementation of the program.

1. STATE EMPLOYEE DEFINED

A State employee is an officer or employee of the Executive Branch of California State Government. This includes employees of the California Community Colleges and the California State University System.

2. OPTIONAL USERS

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. Note: Exact number of employees/travelers is unknown.

- 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 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.

3. PRICE GUARANTEE PERIOD

- A. All pricing must be guaranteed for the first year of the contract and submitted in the RFP. Any adjustment or amendment to the original contract will not be effective unless a written amendment is approved by the Chief, OFAM. Performance measures and costs savings to the State must be included on any adjustment to the contract. The State will be given the immediate benefit of any decrease in the market, or allowable discount. All incentives/commissions for any State of California travel are the property of the State of California.
- B. The State reserves the right to negotiate a price decrease based upon the State's actual volume and the number of agents required to perform services under this contract. The STP may authorize price increases should the State decide to extend the contract. The State may authorize only one price increase effective every twelve (12) months. In no case shall the increase exceed the Consumer Price Index (CPI) for the previous calendar year. The Contractor must provide the CPI information that supports its request in a written request for the cost increase, which must be received by the Contract Administrator no later than ninety (90) days prior to the term date of the contract. The State reserves the right to terminate this agreement at any time upon thirty (30) days written notice to the contractor.

4. SERVICE HOURS

- A. Service hours must be at least nine (9) hours of daily on-site service compatible with the State's standard working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding State holidays and Governor-mandated furloughs. On State holidays and State-mandated furloughs, services must be available from an off-site location. Currently, State holidays include New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day. Current Governor-mandated furloughs occur on the first, second, and third Friday of every month. Furloughs do not affect all State departments and are expected to end on June 30, 2010.
- B. Travel agents may work staggered or flexible shifts to cover the full period. Emergency service must be provided through access to 24-hour, 7-day a week state and national number(s). The after hours service should be used only for emergencies and/or for reservation requests that **must** be handled when STP offices are closed. All calls and inquiries during normal business hours (8 AM to 5 PM) should be directed to the TMS provider to avoid unwarranted service charges. If such 24-hour access is through an out-of-state service, such service employees must be able to perform as if they were employees of the Contractor, with access to state employee profiles and state travel rules and regulations. If this service is to be performed by employees of the Contractor on an "on-call" basis, the "on-call" travel agent must be able to respond with the call on-the-spot when called, e.g., through a lap top computer connected to the office terminals. The 24-hour service center must be located in California.

5. STAFF CREDENTIALS AND QUALIFICATIONS

- A. Eight (8) dedicated travel agents and one (1) Site Manager/Team Leader must be provided. The Site Manager/Team Leader shall have at least five years experience in the transaction of volume travel

services. Volume services means corporate or governmental accounts with annual billings in excess of \$75 million. Each travel agent must have at least three years experience, and each must have produced at least \$1 million in travel business during one of those years. Each travel agent must be experienced in arranging both domestic and international transportation via airlines and other public carriers; and must be familiar with lodging establishments and vehicle rental firms. Each travel agent must be experienced in operating the automated reservation and ticketing equipment to be used in performance of the contract. At least one of the travel agents must be an international specialist who has handled international travel for at least five (5) years, and is competent to handle the most complex international travel. At least one of the agents must have at least three (3) years experience in booking group travel. At least one of the agents must be experienced in more than one Global Distribution System (GDS). It is possible for one (1) travel agent to meet the international travel, group booking, and GDS experience listed above. The State may require additional travel agents as volume increases and/or reduction in travel agents if volume decreases.

- C. The State reserves the right to be a part of the interview process and assist in the selection of travel agents for this account. All new hires must be properly trained by the Contractor before handling services for the State account. The Contractor will be required to provide agent qualifications and resumes to the Statewide Travel Manager upon hiring.
- D. An accounting person must be assigned to this account that will be available during working hours. This individual will assist in handling disputes arising from debit memos, lost tickets, refunds, credits and service fees. This individual will also provide support services for payment system reconciliations.
- E. Appropriate on-site agent backup support must be provided as necessary to ensure continuity of service, regardless of call volume or travel agent absence. This on-site agent backup support will be provided at no additional cost to the state.
- F. The Contractor will be held responsible for their agent errors. In all cases (air fares and rental vehicles), the Contractor shall pay the difference between the rate charged for transportation fares, lodging, rental vehicle, and the lowest available rates for such services, which are within the State's policy parameters. Appropriate documentation for the errors will be required.

6. OFFICE SPACE

- A. The DGS shall provide, satellite office space and utilities for eight (8) travel agents and one (1) Site Manager/Team Leader on site. If needed, the DGS will provide a locked storage closet where the on-site agents can secure their printers, server, etc. Each agent will have an employee access badge for building and office entrance. Any additional requirements should be included in the RFP. A parking garage adjacent to the DGS is currently available for \$55 a month. The State is not responsible for the agents' parking or transportation costs. Reservations will be generated on-site at the Statewide Travel Office location.

7. COMPUTER AND HARDWARE

- A. Computer and hardware associated with travel management services must be provided at no cost to the State. The DGS reserves the right to check and scan at any time all computer components and hardware for viruses and inappropriate material.
- B. The Contractor must abide by DGS policy which prohibits employees and consultants/contractors from engaging in any internet activities or transmitting any communication that would reflect unfavorably on the department or be deemed inappropriate.

8. TELEPHONE SERVICES

- A. The DGS will pay for all monthly telephone service and toll charges on-site for existing voice and data lines provided by the State. State telephones are provided for state business and should not incur costs associated with personal use and fee-based calls. The Contractor will pay any increases for additional services and will be responsible for any costs for headsets or other equipment necessary to perform the day to day travel operations.

9. COMPUTER RESERVATION SYSTEMS

- A. The Contractor will work in conjunction with the STP, to install, at no cost to the State, a Global Distribution System (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 Contractor travel agents, if needed. Currently, the State of California has one office that operates as a travel agency located on site at the State Capitol. The travel contracts for the State's airfares, rental vehicles, and payment system are loaded in the GDS.
- B. The DGS will allow the Contractor's equipment and systems to be housed at the main site of the travel agency, as long as the agency resides in California. Back-up systems can be located out-of-state as long as the Contractor maintains an office in California. If the ticket printer is located off-site, the Contractor will work with the State's contracted vendor Federal Express or other delivery/messenger service to ensure the paper tickets are brought to the satellite office.
- C. The Contractor is responsible for all maintenance and repairs of the GDS systems and printers. When a new version of the GDS program is available, the Contractor is responsible to install and keep all equipment and related software upgraded.
- D. The STP is in the process of preparing a Hotel RFP for transient travelers which will also be loaded in the GDS.

10. MANAGEMENT REPORTS

- A. The Contractor will ensure one of the dedicated agents provide detailed monthly electronic reports for each department/agency/office for the monthly reconciliation of each of their Business Travel Accounts (BTA). Currently there are BTAs for Airlines, Rail and Travel Agency Service Fees; CRBTAs for Car Rentals, and MPAs for Lodging.
- B. The Contractor will ensure one of the dedicated agents provide the following management reports to the STP; a monthly city-pair summary reports showing the names of carriers with departure and destination cities, a monthly unused ticket report; and a hotel reservation report. The Contractor will provide and maintain, at no additional cost to the State, a fully automated accounting system capable of producing all required management reports. Customization and development of reports will be provided to the State at no additional cost. All transactions processed through the 24-hour service center will be included in the monthly travel management reports and financial reconciliation
- C. The Contractor will provide a quarterly report card that will benchmark the State of CA against industry standards. The report card will consist of self-evaluation measures, personal goals, and peer comparison. In addition, a smaller scale report card will be established for each department, university, local government or K-12 school district to benchmark their travel.

11. RECONCILIATION

- A. The Contractor shall develop a reconciliation process utilizing data captured through the travel portal and billing mechanisms, including reconciliation procedures or programs, such as written guides and computerized programs to assist participating governmental entities with reconciling monthly statements, credits, disputed items and fraud alert procedures.

12. TRAINING

- A. The Contractor will provide GDS reservation training and periodic recurrent training as needed to the State Travel Office. This includes training for the State Travel Manager and State Travel Coordinators. The Contractor will provide two conference registrations, lodging and airfare tickets to attend ARC conferences, Corporate Travel Department Association conferences, and other industry conferences that are deemed appropriate by both parties. Amount varies based on future conference registration fees and locations (not all within California), which are yet to be determined.
- B. Staff must be able to attend and provide the General Session Presentation at the annual DGS Travel and Transportation Training and Tradeshow located at the Sacramento Convention Center, as well as provide updates at other future workshops and training presentations as needed.

13. EMERGENCY LODGING, CAR RENTAL, AND AIR CHARTER

- A. The STP will pilot an Emergency Lodging Program. The STP is in the early stages of developing this program. The program will provide temporary or emergency lodging accommodations in support of state emergencies and/or disasters. The program will provide a streamlined process for locating and procuring discounted contracted lodging and will utilize a centralized billing process in advance of emergency events. The State of California has 19 Emergency Services Offices who would likely be involved in responding to an emergency or disaster in California. An extensive training program will be developed to educate 6,400 hotels in California on the procedures for the state's travel payment card American Express for lodging and travel services (i.e. airlines, car rental). The American Express Business Travel Account (BTA) is a centrally-billed cardless account. The Contractor will provide incident reporting and 24-hour service on-call operations 7 days a week and must route through a California facility. The after hours service should be used only for emergencies and/or for reservation requests that **must** be handled when STP offices are closed. All calls and inquiries during normal business hours (8 AM to 5 PM) should be directed to the TMS provider to avoid unwarranted service charges. The Contractor will complete the training and understand the components of the Emergency Lodging Program once the program is implemented.
- B. The Contractor will use car rental vendors that the State has current contracts with to provide appropriate services in support of all state emergencies and/or disasters to provide rental car services.
- C. The STP is working toward emergency air charter services in support of state emergencies and/or disasters. This new program will provide a streamlined process for locating and procuring discounted air charter services.

14. SUB-CONTRACTING

- A. The Contractor will not be allowed to sub-contract with other travel agencies. According to the Airline Reporting Corporation (ARC), a group of travel agencies may not use the same ARC number. The ARC number may only be outsourced to one (1) travel agency. Once the State of California becomes a CTD and they own the ARC number, the State will have the option to work with other travel agencies and distribute the ARC number as needed.

15. LODGING

- A. The Contractor will provide lodging reservations. This service shall include 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.
- B. The Contractor will 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 (LA and San Diego counties- \$110/night; Alameda, San Francisco, Santa Clara and San Mateo counties- \$140/night; and all other counties- \$84/night. The Contractor will 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 will 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 will obtain suitable accommodations within a reasonable proximity to the traveler's ultimate destination.

16. VEHICLE RENTAL

- A. The Contractor will reserve commercial rental vehicles utilizing the State car contract rates, within the constraints of the State's policy and its corporate agreements with rental car companies. The Contractor will use car rental vendors that the State has current contracts with to provide appropriate services. The Contractor shall confirm the rate and any "drop-off" charges, additional insurance charges and include such information on the traveler's itinerary. The form of payment for vehicle rentals is a CRBTA, which is specifically for use with the State's contracted commercial rental car agencies, currently Enterprise and Vanguard. The CRBTA is used to charge State traveler car-rental expenses to the traveler's department, saving time and State funds. Effective September 30, 2007, using a CRBTA and the American Express government card are the only authorized-forms of payment for renting cars from contracted vendors.

17. SOUTHWEST AIRLINES/SWABIZ

- A. The State of California currently uses SWABIZ, the online business portal for Southwest Airlines. This is subject to change based upon improvements in travel booking technology. Travel Bulletin 09-06 states "As part of Governor Schwarzenegger's direction to obtain transparent, cost effective travel, all departments are required to have an established Southwest Airlines BTA and to use the Southwest Airlines SWABIZ program. SWABIZ is the business portal of Southwest Airlines and directly using SWABIZ does not incur any travel agency service fees. To ensure compliance on SWABIZ, the Statewide Travel Program will submit a quarterly compliance report to each Agency Secretary. Departments without an established SWABIZ BTA must complete the enrollment process by October 1, 2009." Travelers will be responsible for making changes or cancellations to their SWABIZ reservations. The Contractor will not be expected to proxy book Southwest airline reservations.

18. CONTRACTED AIRFARES

- A. The Contractor will use the State of California's city-pair airfares with those airlines the State currently has contracts with.

19. MEETING AND CONFERENCE SERVICES

- A. The DGS established the California Meeting Management Program (CMMP) on July 1, 2008. CMMP was formed to assist State agencies, departments, commissions, boards, and the like in securing suitable space for meeting and conferences, conventions, events, seminars, presentations, trainings, workshops, examinations, forums, award programs, ceremonies, and public hearing facilities in the most cost effective and efficient manner. The Contractor will be responsible for assisting CMMP with their clients' conference travel arrangements, i.e. attendee, speaker, and other travel arrangements.
- B. Payment for all travel related to State-conducted meetings, conferences, events, seminars, workshops, off-sites, presentations, and training when conducted at a lodging or event establishment shall be made utilizing the American Express MPA. The MPA is a centrally-billed, cardless American Express account used to pay for group lodging and all meeting-related charges. There is no data for State meetings and events; they are charged on the MPA but not separated in American Express data. Since 2009, CMMP has planned approximately 175 meetings.

20. SUPPLIER COMMISSIONS, INCENTIVES AND OVERRIDES

- A. The 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. The Contractor shall provide the State with a monthly report of all commissions, incentives, and overrides received during the month. The Contractor shall establish and maintain an interest bearing account (STP Account) and deposit all commissions, incentives and overrides into the STP Account as received. The State will provide the Contractor with disbursement instructions from the STP Account on a monthly basis. These disbursements will include monthly payment of the Management Fee and Online Booking Fees. Any and all disbursements from the STP Account must be approved by the State.

21. COMPLIANCE CONTROL

- A. The Contractor and its agents will comply with the State travel policy, according to the State Administrative Manual (SAM), Section 700. When arranging travel needs for State employees and their representatives, the Contractor shall provide safeguards to ensure that the incentives offered to Contractor's agents do not interfere with the Contractor's agent's willingness to comply with the State of California travel policy.

22. AIRPORT PARKING

- A. Contractor will provide their negotiated discount parking rates to the State but may use a future State negotiated rate.

23. AUDITS

- A. The State reserves the right to inspect and audit Contractor's records specifically dealing with the State's account any time during the term of the contract and for a period of three (3) years after the termination of the contract.

24. TRANSPORTATION

- A. The Contractor will make reservations and issue tickets for all commercial modes of transportation. The Contractor will 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 travel policy. Alternate flights and routings must also be checked for applicable lower fare in compliance with travel policy. These services include international travel, with travel agency assistance in obtaining passports and visas. Air passenger tickets must be issued only from approved ARC ticket stock. The Contractor will comply with any "Travel Authorization" requirements established by the State.
- B. Full coach State contract fare may be used only if no lower unrestricted fare is available. The Contractor shall furnish appropriate documentation for each fare used. State officers and employees are required to utilize contract carriers whenever schedules permit. The State, however, reserves the right to utilize transportation provided by any carrier when the transportation is offered to the public at a fare which is less than the State contract fare, or when the employee's business schedule does not allow the use of the contract carrier.
- C. Off-peak, excursion, promotional and other types of discount fares should be used if lower in cost.
- D. At a minimum, the Contractor will verify fare rates, schedules, etc., before traveler's departure date for all tickets issued. In the event carriers reduce fares, or the State is able to negotiate a lower rate, the Contractor will search out affected tickets and shall reissue them at the lower rates. Effective quality control is absolutely necessary.

- E. The Contractor will provide an automated lowest fare search and quality assurance program.
- F. The Contractor will provide advance seat assignments when available.
- G. The Contractor will provide each traveler and agency, department or office a complete electronic trip itinerary including, but not limited to, the following:
 - 1. Airline carrier or rail information.
 - 2. Departure and arrival times for each segment of the trip.
 - 3. Ground transportation facilities (e.g., taxi or shuttle) at destinations.
 - 4. Name, phone number, confirmation number and location of hotels/motels and room rates booked by the Contractor at each destination.
 - 5. Name, phone number, confirmation number and location of rental car booked by the Contractor at each destination.
- H. The Contractor will make adjustments for any airline schedule changes in transportation. If these changes result in ticket reissues, this will be done at no cost to the State.
- I. The Contractor will issue a credit memo on downgraded exchanged tickets to the state agency originally billed for the ticket.
- J. When a state agency applies for a refund for unused tickets, the Contractor will promptly process the necessary paperwork. The refund should be credited to the Business Travel Account (BTA) originally charged for the ticket. All airline and rail reservations should be billed through the appropriate BTA.
- K. Under no circumstances shall the Contractor provide any State employee with a cash refund on tickets for official State travel. All refunds must be credited back to the Department's BTA. Each ticket shall be coded "non-refundable," or "refundable only to travel agency," to preclude a cash refund to the employee by the airlines.
- L. The Contractor will have an automated program in place to track all unused tickets. Weekly reports must be generated to ensure that no unused ticket expires. Before ticket expiration, if ticket is not planned to be used for the same travel, a process must be in place to convert a portion of that unused ticket to a credit to be used for any traveler within that department.

25. Section 1 – Reservation Process / Service Requirements

A. Global Reservation Process

- 1. Contractor's online booking tool must be able to display state contracted rates.
- 2. Contractor shall arrange reservations with air, rail, car, hotel, extended stay lodging, ferries, onsite car rentals, shuttles, limousines and vans.
- 3. Contractor shall offer the lowest available rates on air, car, hotel, rail, ferry and other suppliers as requested.
- 4. Contractor shall book preferred seating, request special meals and other services as governed by traveler profiles, document itinerary.
- 5. Contractor shall comply with situation specific State travel policy and trip approval requirements.
- 6. Contractor shall document Passenger Name Record (PNR) with exception documentation, reason codes and low fare comparison.
- 7. Contractor shall access and issue all airline tickets.
- 8. Contractor shall capture the frequent flyer miles for all airlines with airlines offering matching programs.

B. Online Booking Tool

1. Contractor's booking tool shall have fare searching capability (i.e. airline and hotel).
2. Contractor's booking tool shall be capable of displaying contracted "city-pair" fares and also regular published fares and shall identify whether the fare is a contracted fare or published fare.
3. Contractor's booking tool shall be capable of displaying contracted rental car rates.
4. Contractor's booking tool shall prevent unauthorized routings from being displayed as a purchase option.
5. Contractor's booking tool shall make a timely effort to notify travelers of airport closings and canceled or delayed flights.
6. Contractor's booking tool shall have pre-approval authorities.
7. Contractor's booking tool shall be able to book one-way trips, round trips, multi-segments, and build a custom trip.
8. Contractor's booking tool shall also be able to book car and hotel rooms either with a flight or separately.
9. Contractor's booking tool shall be able to book AMTRAK tickets.
10. Contractor's booking tool shall maintain traveler profiles, with the capability of adding, changing or deleting profiles by state agents and/or travel coordinators.
11. Contractor's booking tool shall have the capability of saving trips or cloning trips.
12. Contractor's booking tool shall contain an authorization process to prevent unauthorized travel from being purchased.
13. Contractor's booking tool shall offer online user support and a printable user guide.
14. Contractor's booking tool shall be on a secure website, be password protected and contain a ticket and payment authorization system.
15. Contractor's booking tool shall have proxy booking available.
16. Contractor's booking tool shall be available 24 hours per day with minimal down time.
17. Contractor's booking tool shall provide carbon footprint data comparisons.
18. Contractor's booking tool shall provide web casting price comparisons.
19. Contractor's booking tool shall provide maps and locations of all cities.
20. Contractor's booking tool shall have the ability to send electronic data to blackberry, i-phones and trio's as used by government employees.
21. Contractor's booking tool shall have reservation 24 hour hold capabilities.
22. Contractor's booking tool shall have travel expense reporting and merge capabilities into the State of CA online CALATERS Travel and Expense Form.
23. Contractor's booking tool shall be an industry-wide recognized, non-proprietary tool with access to Southwest SWABIZ fares.

C. Fare Search

1. Contractor shall provide continuous low fare search thru GDS.
2. Contractor shall provide international rate desk support to fare and apply international tariff.

D. Hotel

1. Contractor shall provide lowest hotel rate options using the negotiated hotel rates of State of CA or lowest market available.
2. Contractor shall provide international rate desk support to fare and apply international tariff.
3. Contractor shall provide hotel properties certified by the DGS California Green Lodging Program. If there is a per diem (state), green hotel in the traveler's preferred location, you must select that hotel.

E. Telephone Service Levels

1. Contractor shall maintain service levels as appropriate.
2. 80% of telephone calls shall be answered within 20 seconds.
3. The abandoned rate shall be less than 3%.
4. The State reserves the right to acquire an agent productivity tool to monitor and measure call processing time, number of calls, etc.

F. Disaster Recovery

1. Contractor shall create, publish, maintain and deploy comprehensive disaster recovery plans for reservations, supplier disaster, world crisis, technology, information retrieval, traveler/arranger communication plan.

G. Quality Control

1. Contractor shall provide automated Quality Control process for all reservations.
2. Contractor shall comply with Policy Exceptions with Automated/Manual process.
3. Contractor shall adhere to the State's current travel policies and defer to the STP judgment in all matters of travel policy.
4. Contractor shall communicate industry issues to travel planners, travelers of the State and its affiliated political subdivisions.

H. Environmental Platform

1. Contractor shall have an action plan and commitment to keeping travel an environmentally friendly business.

I. Emergency and/or After Hour Services

1. Contractor shall have the facilities to provide services after office hours as well as emergency assistance to travelers on a need basis.
2. Contractor shall provide emergency service through access to 24-hour, 7-day a week state and national number(s).
3. Contractor's 24-hour service center must be located in California.

26. Section 2 - Personnel, Account Management, Configuration

A. Company Qualifications

1. Contractor shall have handled accounts with at least \$75,000,000 in annual air travel volume.
2. Contractor shall pay all applicable royalties and license fees, shall defend all suits or claims for infringement of any rights and hold the state harmless from loss when a particular process or service is specified.
3. Contractor shall have been in the corporate travel management business for a minimum of five (5) years.
4. 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.
5. Contractor shall have a current business license.
6. Contractor shall have Commercial General Liability, Automobile and Workers' Compensation insurance.
7. Contractor shall be in good standing with ARC and have an ARC number.
8. Contractor shall be certified by the IATAN.

B. Travel Consultants (Travel Agents)

1. Consultants shall have a minimum of three years experience booking airline reservations with air, hotel, car, limo and shuttle reservations domestically.
2. Consultants shall have a minimum five years experience booking air, hotel, car, and shuttle reservations domestically and internationally.
3. Contractor shall have mutually agreed upon agent productivity standards developed for front line consultants.

4. Contractor shall have performance monitored on an agreed upon evaluation time period to ensure productivity standards are met.
5. Contractor shall provide staffing support for scheduled and unscheduled absence for the travel counselors.
6. Contractor shall provide qualified support staff for ticket issuance and ticket packaging.

C. Performance Review

1. Contractor and STP shall participate in monthly or quarterly meetings to review performance during the term of the contract,
2. Contractor shall at all times allow the STP or a duly authorized representative of DGS to conduct such on-site observation and monitoring of the performance of the services including conducting audits of expenses and revenues. In addition, DGS retains the right to random checks to ensure receipt of all applicable discounts, commissions, and benefits from various vendors.
3. Contractor shall report on dedicated staff performance, including phone performance, phone monitoring, agent productivity, and customer comments/issues.
4. Contractor shall investigate each client complaint and provide a response within 48 hours.

D. Regional or National Configuration

1. Contractor shall provide Central Reservation Center, dedicated call center, onsite, off-site, virtual offices or Electronic Fulfillment Centers.

E. Global, Regional, or National Account Management

1. Contractor shall provide Account Manager (s) to support the State of California Travel Program.

F. Quarterly Business Planning and Review Process

1. Contractor shall meet with the DGS Statewide Travel Manager quarterly to participate in a formal review of the plans/outcomes to our aligned goals and strategic partnership.
2. Contractor shall perform formal reviews that include a review of the Scope of Work.

G. Credit Card Payment and Reconciliation

1. Contractor shall accept American Express Payment exclusively for all Government Business Travel; Individual Government American Express cards may be used.

H. Traveler Profiles

1. Contractor shall provide timely and accurate input of traveler profiles.
2. Contractor shall provide Automatic Profile Synch technology.
3. Contractor shall maintain traveler profile.
4. Contractor shall update and delete profiles as required for terminations, transfers, and new hires.

I. Implementation

1. Contractor shall have a detailed implementation plan for establishing State travel services including tasks, schedules, man-hours and any State assistance necessary for implementation.
2. Contractor's implementation plan submitted shall be adhered to as set forth in the awarded RFP.
3. Contractor's implementation plan submitted shall list the chronological date with respect to the date that each department / agency / other government entities would be enrolled in the new TMS.
4. Contractor's implementation plan shall include the date traveler profiles will be entered by department / agency / and other government entity.

5. Contractor's transition shall be completed and fully operational by June 30, 2010 with no disruption in service.
6. Contractor's implementation plan shall include state agencies first, followed by universities, local government, and K-12 public school districts.

27. Section 3 – Ticket Issuance and Distribution

A. Equipment

1. Contractor shall provide all equipment (i.e. Satellite Ticket Printers) if needed at the DGS ticketing location. If sent via overnight carrier and/or provided by day messenger, indicate method.

B. Prepaid and Other Miscellaneous Documents

1. Contractor shall prepare and process paper documents when absolutely necessary and where electronic tickets cannot meet the need. Also passport / visa documentation if needed. Indicate whether main or satellite office.

C. Ticket Distribution

1. Contractor shall distribute all tickets accurately.
2. Contractor shall deliver customized e-ticket itineraries and receipts as needed via email.
3. Contractor shall provide distribution of paper tickets via mutually agreeable delivery service.
4. Contractor shall deliver all tickets/e-tickets/itineraries not later than two (2) working days prior to the traveler's scheduled departure, or earlier if requested by the traveler. For bookings within 2 days of departure, ticketing should be as soon as possible.

28. Section 4 – Technology Services

A. Point of Sale Technology

1. Contractor shall have internet/web fare capability.
2. Contractor shall have point of sale technology.
3. Contractor shall have point of sale transaction fee capability.
4. Contractor shall have mid office quality control & file finishing.
5. Contractor shall utilize any or all major GDS.
6. Contractor shall utilize automated pricing programs.

B. Portal Page

1. Contractor shall develop a user-friendly front page for the online portal/system where travelers log in for their State Government travel.
2. The portal will maintain business intelligence to direct users to the appropriate travel sites (airline portal, State Garage online reservations or travel agency), enforce State travel policy, and provide information on traveler news.
3. Development and maintenance shall be the sole responsibility of the Contractor with limited IT assistance from the State.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the management fee specified within, Attachment 1 (Cost Proposal RFP Attachment 4.A – Online Booking Fee) and Attachment 2 (Cost Proposal RFP Attachment 4.B – Management Fee) which is attached hereto and made a part of this agreement.
- 1) Based on the total amount of the online booking and emergency/afterhour service fees, the State reserves the right to pass on all, or a portion, of the fees to the State department, agency or entity making the reservation. The fees will be charged to the responsible department, agency or entity's BTA at the time of the transaction.
- B. Invoices shall be submitted in arrears of the service performed and shall include the RFP Number. The invoices shall be submitted in triplicate not more frequently than monthly to:

Office of Fleet and Asset Management
Statewide Travel Program
Attn: Accounts Payable
707 Third Street, 6th Floor
West Sacramento, CA 95605

- C. Upon approval of the invoice the State will instruct the contractor to issue payment of the invoice from the STP Account within 3 days of approval of invoice. If circumstances out of the State's control arise, payment may be issued via the American Express BTA or a check from the DGS and/or State Controllers Office that will require an additional 10 to 15 working days before contractor will receive payment
- D. The 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. The Contractor shall provide the State with a monthly report of all commissions, incentives, and overrides received during the month. The Contractor shall establish and maintain an interest bearing account (STP Account) and deposit all commissions, incentives and overrides into the STP Account as received. The State will provide the Contractor with disbursement instructions from the STP Account on a monthly basis. These disbursements will include monthly payment of the Management Fee and Online Booking Fees. Any and all disbursements from the STP Account must be approved by the State.

2. BUDGET CONTINGENCY CLAUSE:

- A. 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.
- B. 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.

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EXHIBIT D

ADDITIONAL PROVISIONS

1. STANDARD CONDITIONS OF SERVICES

- A. Service shall be available not later than 10 days, or on the express date set by the awarding agency and the Contractor, after all approvals have been obtained and the agreement executed. Should the Contractor fail to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's proposed price and the actual cost of acquiring services from the second lowest Bidder or by another Bidder.
- B. All performance under the agreement shall be completed on or before the termination date of the agreement.
- C. 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.

2. PREFERENCE PROGRAM

- A. Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.
- B. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).
- C. If for this agreement contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then contractor must within 60 days of receiving final payment under this agreement (or within such other time period as may be specified elsewhere in this agreement) 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(s); 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. (Military & Veterans Code (M&VC) § 999.5(d))

3. SEVERABILITY

- A. If any provision of this agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision. Headings are used for convenience of reference only and in no way define, limit, construe or describe the scope or extent of any section, or in any way affect this Agreement.

4. AMENDMENTS:

- A. 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. Nor oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.