

SCOPE OF WORK

EXHIBIT A

The term of this two year contract shall be upon signature and approval of the Department of General Services designee or July 1, 2014, whichever occurs last, through June 30, 2016, with the possibility of three optional one year extensions. The State will have the option to extend the contract term upon mutual written agreement with the contractor.

1. Authorization for Users

Tickets at the proposed fares will be made available to State/optional user employees traveling on authorized State/optional user business when ordering directly from an airline or from an authorized travel agent when payment is made by:

- a) A **Business Travel Account** through the State's contracted travel payment provider.
- b) A **Corporate Charge Card** issued by the State's contracted travel payment provider and clearly marked "State of California" or with a California State University, University of California or California Community College.

2. State Employee

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

3. Optional Users

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

- a) **Non-Salaried:**
Persons who are on official State business and whose travel expenses are paid by the State (this includes volunteers, members of official task forces, consultants and members of some commissions and boards, and wards of the State).
- b) **Elected Constitutional Officers:**
Governor, Lieutenant Governor, State Controller, Attorney General, Secretary of State, Superintendent of Public Instruction, State Treasurer, Insurance Commissioner, members of the Board of Equalization, and members of the staff of the above constitutional officers.
- c) **State Legislative Branch:**
Members of the State Senate, Members of the State Assembly, and Legislative staff members.
- d) **State Judicial Branch:**
Justices, officers, and employees of the Supreme Court of California, the Courts of Appeal, the Judicial Council of California and the State BAR of California.
- e) **Executive Protection:**
Persons providing executive protection to anyone authorized to use these contracted rates.
- f) **Local Agencies:**
Elected officials and other personnel of local agencies (city, county, city and county, district or other political subdivision 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.

4. Service Categories

- a) Category 1 – Preferred Carrier(s)

Awarded Preferred Carriers for either the Domestic or International segments will be the preferred air transportation provider(s) for the State of California. Travelers on official business through the State's travel program will be required to use a Preferred Carrier unless one of the exceptions is met. Preferred Carriers will be permitted to use their status for marketing and promotional purposes throughout the duration of the contract.

Preferred Carrier contractors will furnish authorized State/optional user travelers with the contracted discount(s) on all coach refundable and nonrefundable flights within their contracted segment (International or Domestic). Promotional Fares will not be included in discounts offered for refundable, nonrefundable, or both. Contractor will provide the authorized State traveler with the same services provided to the general public in unrestricted scheduled coach service, including food, subject to the rules and procedures published in the air carrier's tariffs on file with the Airline Tariff Publishing Company. (A contractor shall make reservations for authorized State travelers on the same basis as for regular coach service travelers and shall not discriminate in favor of any other travelers.)

- b) Category 2 – City-Pair Carriers

City-Pair contractors will furnish authorized State/optional user travelers with one-way air travel between cities of a City-Pair in either direction at the Y-CAL designated, and V-CAL capacity controlled fare, and provide the authorized State traveler with the same services provided to the general public in unrestricted scheduled coach service, including food, subject to the rules and procedures published in the air carrier's tariffs on file with the Airline Tariff Publishing Company. (A contractor shall make reservations for authorized State travelers on the same basis as for regular coach service travelers and shall not discriminate in favor of any other travelers.)

Awarded City-Pair contractors agree to designate the State contracted air fare as a Y-CAL fare and agrees not to use the Y-CAL designation for City-Pairs for which the contractor does not have a State contract.

Awarded City-Pair contractors agree to use the V-CAL designation to indicate capacity controlled fare code. Airline must use a designated capacity controlled fare code to differentiate fare codes under this contract.

5. Group Booking

Both Segments (Domestic and International): Proposer must provide a group booking desk or contact number to assist with group reservations AND will make available, according to the contractors established group booking discount guidelines, either the contracted Preferred Carrier discount(s) or publicly available group booking discounts on all official travel booked through the group booking desk or contact number.

6. Audits

Contractor(s) must conduct audits and provide results, upon the State's request, to ensure that contracted discounts are being properly applied and are only available to authorized travelers. Contractor(s) must provide results from the fare audits at the State's request.

7. Fuel Surcharge

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

8. Insurance

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

9. Preferred Carrier Segment Refunds

Contractors awarded one of the two Preferred Carrier Segments are required to refund any or all portions of a cancelled refundable ticket to the State of California, and offer the ability to apply a cancelled nonrefundable ticket's unused funds toward another airline ticket in the traveler's name and make those funds available for a minimum of 12 months from the purchase date.

10. City-Pair Unrestricted (Y-CAL) Fares

All Unrestricted (Y-CAL) Fares shall be fully refundable with no change fee or cancellation fee.

11. City-Pair Capacity Controlled (V-CAL) Fares

All Capacity Controlled (V-CAL) Fares shall have no advance purchase requirements, no change fee, no cancellation fee, no minimum stay required, no maximum stay required, no extended calendar blackouts of more than five consecutive days' duration, etc. The Capacity Controlled Fare shall apply to all flights in the market and shall be completely refundable under the computer reservation system code designated by the carrier.

12. Bonuses

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

13. Flight Availability

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

14. State Responsibility

Upon award of the Preferred Carrier and City-Pair contracts, the Department of General Services will distribute to all State agencies and the State's contracted travel agency a list of Preferred Carriers and City-Pair contractors, as well as requirements and procedures for use of service.

15. Funding Contingency (should this be in here, we don't guarantee any dollar value?)

The State's obligations under this agreement are contingent on the appropriation and availability of funds sufficient to meet those obligations, and if, in accordance with the relevant Budget Act, such sufficient funds are not appropriated or available (either during the present fiscal year or during subsequent fiscal years covered under this agreement), this agreement shall have no further force or effect, and the State shall have no further obligation (either for the payment of money or otherwise) to the contractor under this agreement.

16. Contract Administrator

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

Evan Speer Statewide Travel Program DGS-Fleet and Asset Management 707 3 rd Street, 3 rd Floor West Sacramento, CA 95605 Phone: (916) 376-3977 Fax: (916) 376-3999 Email: evan.speer@dgs.ca.gov

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