**Request for Proposal (RFP)**

**Travel Management**

# Introduction & Background

## Preface

[SCHOOL] is seeking proposals from current and potential vendors to undertake the management of all our business travel requirements in our Australian operation.

The following Request for Proposal outlines [SCHOOL]’s requirements for a corporate business travel manager. These requirements will become the criteria used to evaluate the proposals submitted and determine which Vendor can provide the highest quality and most cost effective service to [SCHOOL].

This document has been distributed to various corporate Business Travel Managers. The RFP has been developed to ensure a concise and structured response from each vendor. All Proposals are expected to follow the format as outlined in this document.

## Definitions

From this point forward, definitions for the following terminology shall apply:

**RFP** : Request for proposal

**Vendors** : corporate business travel managers

**Bidder** : a respondent to the RFP

**Proposal** : bidder's response to this RFP

**Agreement** : Legal binding contract between [SCHOOL] and selected vendors

## RFP Objective

[SCHOOL]'s overall objective is to significantly reduce our expenditure on travel and travel-related services and support while maintaining and/or improving the level of service provided to our travel staff. We plan to use a world-class vendor to reward [SCHOOL]'s loyalty with appropriate discount levels and relevant end-user benefits.

While our improvement goals are somewhat aggressive, we view them as achievable based on the rapid change of technology and competition in the travel and accommodation industry.

Given our commitment to high procurement standards and our rigorous process timeline, we ask you to submit complete and accurate responses to the questions in this RFP so that we can make a timely and informed decision. In turn, [SCHOOL] commits to a fair and open vendor selection process.

## Scope

[SCHOOL] is looking to develop strong relationships with the travel manager who will work with us to identify and implement ongoing cost reduction opportunities for our air travel, car rental and accommodation.

## Duration of Agreement

The initial contract will be for a period of 1 year with a 1-year option to be reviewed by both parties through a formal evaluation of performance.

## Point of Contact

All contact is to be made in writing, electronically or by fax to:

**[SCHOOL]**

## RFP Questions, Inquiries and Clarification

Any questions or other inquiries concerning this RFP must be submitted in writing (electronic preferred) to [SCHOOL]

[SCHOOL] will acknowledge receipt of all proposals submitted within two (2) days of receiving.

# RFP Requirements

## Requested Response Format

Your Proposal should provide a concise explanation of your company's ability to satisfy the requirements of this RFP with emphasis on completeness and clarity of content.

All companies are required to present Proposals using the same headings and categories as outlined in the RFP to ensure a fair, equitable and timely evaluation. [SCHOOL] reserves the right to reject any and all proposals that fail to conform to the requirement of the RFP and to request additional information from any company.

You must provide two (2) hard copies of your proposal. Both copies must be signed by an authorised official of your company and must remain valid for a period of 45 days beyond the proposal due date. One copy must be unbound to facilitate copying. Elaborate bindings and displays are discouraged. In addition, you must email an electronic copy of your proposal with any supporting documentation to [SCHOOL].

## Project Time Frames

[SCHOOL] anticipates, but does not commit to, the following general time frames in connection with issuance of this RFP, review and analysis of proposals, award of a contract and implementation of the selected product.

## Response Submission

### Acknowledgement of RFP Receipt

Within two days of your receipt of this RFP, you must provide a written (electronic preferred) acknowledgement of your intention to submit a proposal .to [SCHOOL]'s point of contact

You are required upon receipt of this document to confirm in writing that you will abide by the confidentiality conditions and will assume responsibility for any employee, agent, contractor or others that you necessarily disclose information to in preparing your proposal.

### Election Not to Submit Proposal

In the event you elect not to proceed with submission of a Proposal, please inform [SCHOOL] [SCHOOL], in writing, of your decision. Return this RFP and all other data and materials obtained from [SCHOOL] retaining no copies. We would naturally be interested in understanding why you chose not to submit.

### Alternatives

After responding to the various components of the RFP, each Vendor may recommend alternatives that would be measurably better for both parties. Indicate the differences in total costs for both parties, highlighting the enablers and barriers/hurdles of your recommended solution compared to [SCHOOL]'s request. **Alternatives will be considered only after a response as requested has been submitted**.

### Additional information

If deemed necessary, [SCHOOL] may request any additional information from the participant vendors after the due date.

### Modification of RFP

After [SCHOOL]'s analysis of proposals submitted in response to this RFP, [SCHOOL] reserves the right to modify the requirements and terms of this RFP. [SCHOOL] may also request resubmission from some or all of the initial Vendors.

### Disclaimers

You are advised that [SCHOOL] is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of a proposal from you or other suppliers in response to it. In particular, you should note that [SCHOOL] reserves the right to:

* Reject any proposal which does not conform to instructions and specifications.
* Not accept proposals after the stated submission deadline.
* Reject all proposals.
* Negotiate with one or more suppliers.
* Award a contract in connection with this RFP any any time.
* Award only a portion of the contract.
* Make no award of any contracts

### Proposal Submission Date

**[SCHOOL] must receive your complete proposal no later than *[date].***

## Confidentiality

Information provided in this document is for the express purpose of allowing you to prepare a proposal. This information is not to be used for any other purpose nor disclosed to anyone not directly involved in the preparation of your proposal.

This obligation of confidentiality must be maintained unless or until the information falls into the public domain (other than by your action) or we give you express, written permission to disclose it.

You must return all copies of the document and notes made on the information contained in the document to us immediately upon our request.

We will treat all communications from you as confidential and will not discuss or make the contents of your proposal available to others. We will, however, retain your proposal.

## Evaluation Process & Schedule

[SCHOOL] will evaluate each Proposal in a fair, consistent and objective manner. Responses to questions or requirements identified in this RFP will form the primary basis of [SCHOOL]'s evaluation.

#### **Key Vendor Selection Criteria for a Travel Manager will include but not be restricted to:**

|  |  |
| --- | --- |
| Price | While not the sole factor, competitive pricing will be a critical element. |
| Flexibility | Your willingness to seek savings opportunities from current Australian accommodation agents to suit [SCHOOL]'s requirements and capture future savings would be essential. |
| Compliance | Your willingness and ability to assist [SCHOOL] with the strict enforcement of its Travel Policy is a key success factor. |
| Reporting | The ability to capture and report on all of [SCHOOL]'s travel activities is essential. |
| Systems | It is necessary that you have up-to-date travel management systems which can provide timely and responsive reporting. An advantage would be the ability to electronically transfer information to [SCHOOL] such as management reports, exception reports, activity records, etc. In addition, well-developed on-line booking systems would be advantageous.  Ongoing pro-active account management to achieve future savings is also a key success factor. |
| Continuous Improvement | An explicit commitment to continuous improvements in total cost is expected and will be an important part of the final evaluation. |

[SCHOOL]'s final decision regarding proposal selection and contract award will be subject to legal review and approval.

## Auditing Rights

Any agreement that shall be entered into will contain provisions that ensure both [SCHOOL] and the selected Vendor retain the right to review records relevant to the services provided under that agreement.

## Contract Award

Following the review of proposals, [SCHOOL] will promptly notify each supplier regarding our desire to conduct (or not conduct) further negotiations with the supplier. Any acceptance of a proposal is contingent upon the execution of a written contract and [SCHOOL] will not be contractually bound to any Bidder before the execution of such contract.

## Supplemental Information

Should [SCHOOL] elect to award a contract to your company, your proposal and any supplemental information and responses may be incorporated into and made part of any final written agreement between [SCHOOL] and your company. No such information or other material should be submitted that cannot be so incorporated into the agreement.

# Description of [SCHOOL]

### About [SCHOOL]

*Details of [SCHOOL]*

### [SCHOOL]’s Contractual Requirements

Suppliers must state a willingness to accept the following contractual requirements.

* **Performance based measures** and Service Level Agreements.
* **Technology migration agreements** that permit [SCHOOL] to migrate to different/new technologies and hence enjoy cost reduction opportunities, productivity, efficiencies, etc., without penalty. Where other contractual requirements are affected, they will be adjusted accordingly without penalty.
* **Continuous improvement/cost reduction commitments** related to the ongoing productivity improvements in the Travel Industry.
* **Payment** will be made to the travel management company by credit card.
* **Growth consideration** As [SCHOOL]’s business and volumes may grow beyond the initial contract levels, mechanisms must be in place to accommodate price reductions commensurate with such growth. This must include growth by acquisition. Where acquisition includes inheritance of a contract with the same supplier, contracts must be voided and merged, at [SCHOOL]’s request, to the most favourable set of arrangements.

# Expected Elements of a Successful RFP Response – Supplier Checklist

* Acknowledgment of receipt, in writing, to be forwarded within 2 days of receipt of the RFP
* Submissions to be forwarded no later than 12 midday, Monday, 13 December 2004
* Submissions should clearly state the services you are proposing to offer namely Travel Management
* Completed RFP with answers detailed for each requirement
* Your recommendation for the optimal pricing structure based on our shared information
* Response to RFP submitted to the [SCHOOL] (1 electronic version and 2 hard copies):

# Submission of RFP for Business Travel Management

Please complete your details below:

|  |  |
| --- | --- |
| Company Name: |  |
| Company Address: |  |
| Name of Contact: |  |
| Position: |  |
| Contact Phone No: |  |
| Facsimile No: |  |
| E-mail Address: |  |

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Signed by Position Date

## Required Vendor Response to the RFP

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| --- | --- |
| QUESTIONS | RESPONSE |
| 1. **VENDOR** |  |
| * 1. Provide background information on your organisation |  |
| * 1. Describe any unique features of your travel management agency and advantages over your key competitors |  |
| * 1. Describe your Account Management system. |  |
| * 1. List responsibilities of your Account Managers |  |
| * 1. Describe how individual business units will be handled in the account management function. |  |
| * 1. Does your organisation have an emergency 24 hour Travel service? If yes, give details. |  |
| 1. **FINANCIAL** | |
| * 1. What options of management fee arrangements do you offer? |  |
| * 1. What commissions would you earn from both [SCHOOL] and your suppliers under each fee arrangement? |  |
| * 1. Which fee structure would you propose to offer [SCHOOL] and why? |  |
| * 1. How could [SCHOOL] benefit by this type of fee arrangement? |  |
| * 1. What savings could you pass on to us in the form of timing of payment incentives? |  |
| * 1. What pricing incentives would you propose in order to extend this agreement for longer than the proposal terms? |  |
| * 1. How can you ensure [SCHOOL] that we are receiving correct pricing when booking? |  |
| * 1. Would there be any additional fees/costs that would be incurred due to use of credit/charge cards as a payment method? |  |
| * 1. How would you provide audit information on your pricing eg, net pricing & open book policy? |  |
| 1. **ON-LINE BOOKING** | |
| * 1. What on-line booking systems do you have available that [SCHOOL] could utilise? |  |
| * 1. How long has your on-line system been up and running? |  |
| * 1. Does [SCHOOL] need to install any specific software to access your on-line booking systems? |  |
| * 1. What are the set-up costs to [SCHOOL] to utilise this technology? |  |
| * 1. Give an indication of ongoing maintenance costs? |  |
| * 1. Are there any savings advantages to you by [SCHOOL] booking through your on-line reservation system? |  |
| * 1. What incentives can you offer [SCHOOL] to utilise this technology? |  |
| * 1. Do you provide full visibility of variable rates to [SCHOOL] employees when they are making a booking through your on-line reservation system? |  |
| * 1. Do you request and make use of ‘traveller profiles’? If yes, include a sample of your form. |  |
| * 1. Does your on-line system allow for on-line administration by a [SCHOOL] employee, i.e., adding new travellers and updating traveller profiles? |  |
| * 1. What is your current on-line system ‘Up Time’ (the real time the system is available for use)? |  |
| * 1. Would it be possible to interview two of your major customers who are using this system? Please provide details. |  |
| 1. **PROCESSING** | |
| * 1. What methods do you propose to reduce processing costs for both [SCHOOL] and yourself? |  |
| * 1. Are you willing to share the reductions in processing costs as additional savings? |  |
| * 1. Outline your refund/charges procedure. |  |
| * 1. Describe the procedure you would follow to negotiate route deals and maximise savings on (say) the top 5 'Domestic City Pairs'. |  |
| * 1. .Describe the procedure you would follow to maximise savings in developing |  |
| 1. **REPORTING** | |
| * 1. Describe, in depth the management information reporting that can be provided to [SCHOOL], both locally and regionally. Give examples |  |
| * 1. Can you tailor the breakdown of these reports to [SCHOOL]'s requirements? Please specify what options are available. |  |
| * 1. What management reports are available on-line that can be directly accessed (real time) by authorised [SCHOOL] employees? |  |
| * 1. [SCHOOL] will require monthly reports. These should include spend and segmented data on all aspects of flight, car hire and accommodation bookings. Please detail the reports you would be able to provide? |  |
| * 1. Can you capture and report on [SCHOOL] spend that does not go through the corporate travel agency, ie. if [SCHOOL] booked accommodation direct with hotels or car hire direct with hire car company? How do you propose to do this? |  |
| * 1. What other reporting can you provide? |  |
| * 1. What types of Exception Reporting can you provide? |  |
| 1. **[SCHOOL] INTERNAL COSTS** | |
| * 1. What are some typical tools you have used in the past to manage & drive compliance? |  |
| * 1. What systems do you have that may assist [SCHOOL] in developing, implementing and enforcing [SCHOOL]'s Travel Policy? |  |
| * 1. What incentives could you offer [SCHOOL] travellers to assist with compliance? |  |
| * 1. What additional measures can you provide to help promote your agency among [SCHOOL] travellers? |  |
| 1. **OTHER BENEFITS** | |
| * 1. What special services do you provide for VIP’s/frequent travellers? |  |
| 1. **PERFORMANCE MEASUREMENT** | |
| * 1. Please provide your quality goals and specific key performance indicators for self-assessment of your performance to [SCHOOL]. |  |
| * 1. How do you propose to measure [SCHOOL]'s performance? Please suggest quality goals and specific key performance indicators? |  |
| * 1. What is your track record of quality and service with current clients? Please provide specific examples and measures. |  |
| * 1. How should [SCHOOL] travellers report instances of unsatisfactory performance? |  |
| * 1. Describe your procedure for handling customer complaints. |  |
| 1. **AIRLINE TICKET MANAGEMENT** | |
| * 1. Do you have alliances with preferred airlines? If yes, which and why? |  |
| * 1. Do you have special negotiated airfares? If yes, provide capabilities and examples. |  |
| * 1. For the top 5 frequently travelled routes show the average ticket cost over the last 12 months with 3 airlines and a discounted to [SCHOOL] cost over the next 12 months. |  |
| * 1. How do you define ‘Best Fare of the Day’? |  |
| * 1. Do you have access to the lowest available fare for [SCHOOL] travellers? |  |
| * 1. Describe the procedure for offering [SCHOOL] travellers alternative lower fare options to those they are wanting to book? |  |
| 1. **HOTEL RESERVATION MANAGEMENT** | |
| * 1. Describe the procedure you would follow for negotiating special discounted rates for [SCHOOL] preferred hotels (marked \*\*, in 'Overview of [SCHOOL] Spend'). |  |
| * 1. Can you develop a preferred hotel program with hotels in regional and country locations? |  |
| * 1. Are you capable of ensuring hotel discount rates, specific to [SCHOOL], are secured for all reservations? |  |
| * 1. Do you have special hotel rates/rebate programs? If yes, please give details. |  |
| 1. **CAR RENTAL MANAGEMENT** | |
| * 1. Provide details of car rental services your organisation provides. |  |
| * 1. Clearly outline how you would provide the most efficient and cost effective car rental solution/program. |  |

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| 1. **IMPLEMENTATION** | |
| If your organisation is successful in being awarded [SCHOOL] Australia’s Travel Management contract, explain how you would implement your services by providing an implementation plan. | |
| * 1. Outline major action items. |  |
| * 1. Outline implementation timeframe. |  |
| * 1. Outline the transition from existing vendor. |  |
| * 1. Staff responsible for the implementation. |  |
| * 1. Identify the level of support you would require from [SCHOOL]. |  |