

Travel Update Changes Impacted By Senate Bill 5

Nancy Sutherland
Travel Program Director

U. T. System Office of the Controller
February 2013



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

WWW.UTSYSTEM.EDU

Overview

- 82nd Legislature passed Senate Bill 5 amending various provisions relating to operations at institutions of higher education



Overview

- Specific to Travel Services, Senate Bill 5 exempts higher education from the purchasing requirements found in Subtitle D, Title 10 of the *Texas Government Code*
 - Subtitle D, Chapter 2171 governs participation in state travel contracts
 - Airline, car rental, and hotel



Overview

- U. T. System Travel Council, comprised of representatives from the 15 U. T. institutions across Texas
 - Worked with Governmental Relations, General Council, and the procurement team to identify goals and establish timeline
 - Collaborated with peer institutions
 - Met with State Comptroller's staff to inform them of action plan



Overview

- Action Plan Methodology
 - Collaboration
 - Benefit for higher education and vendor
 - Establish long-term partnerships
 - Focus on upfront savings



Overview

- Goals
 - Streamlined contract management
 - Improved reporting
 - Fiscal responsibility
 - Focus on traveler/travel arranger
 - Innovative and appropriate use of technology



Work To Date

- Southwest Airlines Corporate Discount Agreement
 - Southwest typically does not enter into discount agreements
 - Considered first of its kind due to scope
 - Collaborative agreement available to all institutions of higher education as well as state agencies
 - Specific reservation and reporting processes apply



Work To Date

- Southwest Airlines (continued)
 - Program began with discounts on tickets purchased 0-7 days prior to departure
 - Agreement enhanced February 1 to include discount on fully refundable tickets purchased any time prior to departure
 - Includes “A List” memberships for each institution/agency



Work To Date

- Southwest Airlines (continued)
 - Current Participants:
 - U. T. System
 - Texas A&M
 - Texas Tech
 - Baylor College of Medicine
 - To date, the State Comptroller's Office has declined to participate



Work To Date

- Other Airline Contracts
 - American Airlines
 - United Airlines
 - Jet Blue
- Each will negotiate agreements with institutions of higher education on an individual basis based on volume, travel needs, and reporting capabilities



Work To Date

- Car Rental Contracts
 - Finalizing contracts with:
 - Avis/Budget Group, Enterprise/National Holdings and Hertz Corporation
 - Contracts provide savings over current state rates
 - Rates include loss/damage waiver for rental vehicle as well as liability insurance covering persons and property outside rental vehicle



Work To Date

- Car Rental Contracts (continued)
 - Services include expedited rental processes; choose your own car options, fixed based operator rentals (U. T. System and A&M Aircraft Operations)
 - Optional services: box truck rentals and car sharing programs
 - Backend rebate program with Hertz
 - Rebate with other vendors folded into daily rate for immediate savings
 - Contracts open to all institutions of higher education



Work To Date

- Hotel Contracts
 - RFP Process
 - Franchise issues
 - Working with Omni, Marriott, InterContinental, and Choice Hotels to develop programs
 - Available to all institutions of higher education



Work To Date

- Travel Agency Services
 - Initiative to consolidate travel agency services specific to U. T. System
 - Previous business model
 - Contracts with five travel agencies/soft mandate



Work To Date

- Travel Agency Services (continued)
 - New business model
 - Contract with one travel agency/service group - mandate use with four exceptions
 - » Travel paid by outside entity
 - » Emergency (flood, hurricane, etc.)
 - » \$100 difference with **apples-to-apples** comparison
 - » Direct use of Southwest Airlines SWABIZ tool (not Southwest.com)



Work To Date

- Travel Agency Services (continued)
 - Primary Outcomes
 - 15% savings Systemwide on fees paid to travel agency by moving from a per-ticket transaction fee to a Systemwide management fee
 - Consistency of service
 - Full service and online options
 - Improved reporting increases airline discounts
 - Duty of care – all records to International SOS



Next Steps

- Continuation of implementation processes
- Constant communication
- Improve and refine
- Report



Questions/Contact Information

- Nancy Sutherland, U. T. System Travel Program Director
 - Phone: 512.322.3725
 - Email: nsutherland@utsystem.edu
- Randy Wallace, U. T. System Associate Vice Chancellor, Controller and Chief Budget Officer
 - Phone: 512.499.4271
 - Email: rwallace@utsystem.edu

