



Central Administration Procurement Policy

Policy title Required use of Expedia for University-funded Air Travel

Effective date 4/1/04, with 90 day grace period until 7/1/04

Who is affected This policy applies to all departments within Tub 610 (core-funded units), as well as all service departments reporting to a Vice President.

Business objectives for this policy The business objectives, and expected benefits, of this policy are to:

- obtain the “lowest logical air fare”
- minimize agency fees
 - *reduction per ticket from \$45 to \$5 for unassisted web bookings*
- provide a fast, easy-to-use, web service to book travel
- increase the cost consciousness of Central Administration travelers and travel arrangers
- capture all CA air travel expenditures to leverage for vendor negotiations
- pilot this policy before rolling out University-wide

Key terms and their definitions This policy contains the following key terms.

Term	Definition
Expedia	The corporate version of the Expedia travel booking website which has been specifically customized with Harvard pricing. This is also called Expedia Corporate Travel (ECT).
Agency Fee	The fee charged by a travel agency for booking airfare, hotels, or car rentals. In the Boston area, it is typically \$45 for a round trip airfare.
Lowest logical air fare	The lowest airfare that can be obtained from ECT without significantly inconveniencing the traveler, changing the approved itinerary, or prolonging the trip.

Policy statement

Central Administration, including both core- and fee-funded departments, will use Expedia as the preferred vendor for all University air travel.

Airfares must be booked through Expedia unless comparable round trip airfare, including agency fees, can be found elsewhere that result in a savings of \$100 or more. Savings must be documented for the traveler to receive reimbursement or direct payment on a Harvard Corporate Card for an agency fee in excess of the \$5 normally charged by Expedia.

Expedia should be used for *University business travel only*, or a trip that *combines University business travel with personal travel*. Travelers can be employees or non-employees of Harvard, but the trip must occur *in the conduct of University business*.

Travel for non-employees must be arranged online by a Harvard employee. Direct access is not permitted for non-employees under the terms of Harvard's contract with Expedia.

Why Expedia if I can find a cheaper fare elsewhere?

Air travel, as a deregulated industry, produces fares that change moment by moment based on supply and demand. As a result, lower fares may occasionally be found on sites other than Harvard's Expedia site. However, no single source (agency, on-line or airline direct) can claim ownership of the lowest fares 100% of the time. While this may encourage travelers to shop around, it is not in the best interests of the traveler or the University in the long run.

When organizations mandate the use of preferred vendors they do so with the understanding that the best way to provide cost savings and good service is to "leverage" spending and manage vendor partnerships. Expedia supports our existing airline contracts and provides added buying power via consolidated data. Harvard saves approximately \$4 million dollars annually through preferred airline agreements. Using Expedia will provide deeper discounts and increase that amount.

Expedia has also committed to providing value-added service by backing up their on-line tool with experienced agents and a local account manager. Travelers can also be assured that a company committed to serving Harvard will resolve any kind of problem they encounter.

Finally, there is a value that must be placed on the time of travelers and travel arrangers. A cheaper fare may not be advantageous when the time spent to search the internet or call various travel agents is taken into account.

Why \$100?

The \$100 threshold is the estimated cost of processing an exception for non-Expedia travel. It takes into account extra handling and pre-audit for these transactions, as well as the loss of purchasing volume which affects pricing for everyone in the long term.

Policy exceptions

Exclusive use of the Expedia Corporate Travel website is mandated for all University-funded air travel, with these limited exceptions:

- Use of the U.S. Air shuttle to NYC/LaGuardia and Washington D.C./National is strongly encouraged. Travelers can pre-register their corporate card for use at the kiosk by calling 495-9308 or they can purchase a ticket at the Harvard rate by showing their HUID at the ticket counter.
 - For complicated international trips, VIP or foreign dignitary travel, meeting planning, or when use of a minority-owned firm is required, it is permissible to use these vendors:
 - Expedia Agent-Assisted Services (preferred)
 - World Travel Partners
 - Travel Collaborative
 - Great International
 - Oriental Tours and Travel (minority-owned)
 - If you can find a round trip airfare from another vendor that is at least \$100 less for the same or a closely comparable flight, *and* documentation of the savings is submitted with the travel expense report.
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How to access Expedia

- Harvard's Expedia Corporate Travel website is available at: <http://www.expedia.com/daily/corporate/>
 - It is accessible with a Harvard-assigned user ID and password, which can be obtained by emailing fad_travelmgr@harvard.edu
 - Expedia Agent-Assisted Services are available at: 1-866-444-2532
 - Use for complex travel, follow up questions, or to modify prior travel arrangements
 - Note: Transaction fees are \$20 per roundtrip airfare ticket, \$15 per hotel/car only booking
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Air travel class of service

Central Administration travelers on University business are expected to book the lowest-priced, coach class airfare that fits within their approved itinerary. Business-class travel is permissible for international flights. (International destinations are defined in the travel policy manual.)

They are expected to take other common sense measures to save airfare costs such as booking in advance, once the trip and the travel dates are known.

Generally, use of non-direct flights is *not* required in recognition of the value of the traveler's time and the risk of missed connections due to flight delays. However, if a non-direct flight can *easily* fit within a traveler's itinerary and it saves money, this option should be considered.

Note: Travelers are sometimes reluctant to use the U.S. Air shuttle because it operates on a first-come, first-served basis, and they are concerned about not getting a seat. However, if a reservation has been made via ECT, travelers can obtain a seating assignment and a hard-copy boarding pass from the U.S. Air website 24 hours prior to the flight, thereby reducing the risk losing a preferred flight.

Use of direct billing

Departmental direct billing is discouraged.

Travel and entertainment expenses should be charged to a Harvard Corporate Card whenever possible. However, for departments such as Alumni Affairs and Development, which frequently arrange travel for non-employees or faculty who don't wish to co-mingle expenses with those incurred for their home department, direct billing is permissible.

Key point: there should be a good business rationale for using direct billing, which increases transaction processing costs and agency fees, while reducing purchasing leverage.

Note: the Harvard Travel Center (WorldTravel Partners) is the only agency that provides direct billing via Web Voucher

Additional guidelines

It is permissible for Harvard travelers to keep their frequent flyer points, but it is expected that airfare purchases be based on the lowest fares rather than a desire to maximize points or consolidate them on one airline. Similarly, University travel and entertainment expenses should be charged to a Harvard Corporate Card, rather than a personal credit card (sometimes inappropriately used by travelers to personally benefit from a “rebate” or “points” on dollars charged.)

To help reduce record retention costs, CA units should not be sending receipts to the Travel and Reimbursement Office for expenses less than \$75, although hotel folios are always required regardless of cost. Local units within Central Administration may require all receipts.

In addition to tickets, the ECT website should be used for cancellations, refunds, and exchanges. There is no additional service fee when these transactions are done on-line.

When queried, the ECT website will list the least expensive flights on Harvard’s preferred carriers first. If you see a very low fare displayed below that, closely examine the cancellation and exchange rules before purchasing. It is likely they are highly inflexible and unsuitable for business travel that is subject to change.

Who is responsible

The following table describes the responsibilities of the respective individuals and groups for compliance with this policy.

Who is responsible?	For what?
Travelers	<ul style="list-style-type: none">• Advance trip planning, with an arranger. Being conscious of costs and preferred travel vendors. Canceling unneeded reservations immediately.• Obtaining a Harvard Corporate Card and using it for all business travel and entertainment expenditures.• Keeping receipts and settling expense reports in a timely way. If necessary, documenting the cost comparison if Expedia is not used.• Understanding University travel policy, which is summarized at: http://vpf-web.harvard.edu/ofs/travel/pdf/Policyataglancenov03.pdf

Travel arrangers	<ul style="list-style-type: none"> • Registering to use the Expedia site. • Making sure the Expedia profile is up to date for all the travelers you support. • Advance trip planning with the traveler. • Searching the ECT website for the lowest logical airfare. • Calling an Expedia Agent or the Travel and Reimbursement Office (5-9308) with problems or questions.
Web Voucher (travel expense report) approvers	<ul style="list-style-type: none"> • Reviewing (and authorizing) travel expense reports for reasonableness, conformity with University and Central Administration travel policy • Enforcing maximum allowable agency fee of \$5 per airfare ticket. <ul style="list-style-type: none"> • If ECT was not used, reduce the reimbursement or payment amount by the excess agency fee if the exception was not justified (i.e., documented savings of \$100 or more) so that the entire expense report will not be rejected by Travel. • Typically, the reduction will be \$40 (\$45 agency fee less allowable \$5 Expedia fee) • Discussing any charges in question with traveler and resolving.
Managers and supervisors	<ul style="list-style-type: none"> • Being aware of this policy. • Informing and training staff as needed.
Vice Presidents	<ul style="list-style-type: none"> • Reviewing and authorizing exceptions.

<p>FAD Travel and Reimbursement Department</p>	<ul style="list-style-type: none"> • Negotiating strategic vendor partnerships. Monitoring vendor partner performance, engaging third-party travel auditor as needed. Collecting and resolving user complaints. • Conducting “pre-audit” of every expense report submitted by a Central Administration staff member to determine whether: <ol style="list-style-type: none"> 1. Expedia was used for University air travel. 2. In cases where Expedia was not used, it was due to one of the policy exceptions noted above. 3. The exception (particularly use of another vendor because of cost savings) was adequately documented. • Accepting expense reports, or rejecting and returning them. <ul style="list-style-type: none"> • In this case, Travel will request that documentation of the exception be provided or the reimbursement request be reduced by the amount of the net agency fee, and resubmitted.
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Other resources For more information, consult the following resources:

HU Travel Discounts Page (PIN-protected)
http://vpf-web.harvard.edu/ofs/travel/security/exc_car.shtml

Harvard Travel Policy
<http://vpf-web.harvard.edu/ofs/travel/pdf/policy.pdf>

Harvard Travel Policy, at-a-glance
<http://vpf-web.harvard.edu/ofs/travel/pdf/Policyataglancenov03.pdf>

Training on Harvard travel policy, and Harvard’s Expedia website
http://vpf-web.harvard.edu/ofs/travel/add_tra.shtml

Appendix

Purpose The purpose of this appendix is to provide travelers and travel arrangers in the Central Administration with guidance about booking non-airfare travel expenses.

Policy statement When booking hotel stays and auto rentals, Central Administration travelers and arrangers are urged, to the extent practical, to comparison-shop between:

1. the ECT website;
2. the hotel and auto rental providers themselves; and
3. Harvard's corporate discounts.

Use of third party travel agents (other than Expedia) is strongly discouraged due to surcharges, particularly for auto rentals.

Why comparison-shop? At this time, the industries and purchasing channels for these items are not sufficiently consolidated to provide that lowest average pricing from any one source on a consistent basis. However, travel arrangers are not expected to conduct an exhaustive search for the lowest price. A quick comparison between the hotel rate on the ECT and that offered by the hotel directly, for example, is sufficient.

Harvard's corporate discounts For hotel stays:
<http://vpf-web.harvard.edu/ofs/travel/security/prefhtls111303.pdf>

For auto rentals, Harvard has a preferred relationship and corporate account with Hertz and Avis. Please consult this page for more information.
http://vpf-web.harvard.edu/ofs/travel/security/exc_car.shtml

Policy exceptions When attending a conferences or professional meeting, it is permissible to stay at the hotel where the event is based. In these cases, getting group/conference rate typically requires booking outside of the Expedia or Harvard corporate channels.

Hotel class of service Central Administration travelers on University business are expected to stay at business-class hotels, in safe neighborhoods, near their destination.

Examples of business class hotels are: Marriott, Sheraton

Booking hotels in Cambridge

It is often advantageous to use the Harvard ECT site even when booking hotels in Cambridge for visitors due to Expedia's tremendous buying leverage. For example, a room at the Charles has been listed on Expedia for as low as \$129 (versus Harvard's negotiated rate of \$239.)

Other hotel guidelines

- Travelers are expected to cancel unneeded hotel reservations promptly.
 - Be aware of the deadline for no-fee cancellations (often 48 hours prior to expected arrival) If this is not possible, normal cancellation fees (usually \$25) are reimbursable
 - "No show/no call" fees are only reimbursable with an exception authorized by a Vice President.
 - If you book with an Expedia Special Rate, and do not show, you may be liable for cost of the entire planned stay.
 - Sometimes the first night's stay is automatically charged when a hotel reservation is made. This and other in-advance travel expenses (including airfare) must be settled within 60 days of when they are incurred, rather than after trip if that will exceed the 60-day limit.
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Other auto rental guidelines

- Use only when lower cost forms of local transportation (airport shuttles, taxis, subways) are not possible.
- Sub-compact, compact, mid-sized, or full sizes cars are o.k.
- Use the Harvard Corporate Card (MasterCard) to avoid extra insurance costs.
- Return the car in good condition and gassed up to avoid extra charges.
- Be aware of car rental insurance requirements. Use the grid posted on the Travel Office web site (<http://vpf-web.harvard.edu/ofs/travel/security/carinsgrid0104.pdf>) to determine what kind of insurance must be purchased – if any. When traveling out of the 48 contiguous states, take all insurance offered.