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DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

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BETTY MASUOKA  
DIRECTOR

June 19, 1991

City Council  
Sacramento, California

916-449-5736

Honorable Members in Session:

SUBJECT: **Travel Cost Report Back**

DIVISIONS:  
ACCOUNTING  
BUDGET  
REVENUE  
RISK MANAGEMENT

**SUMMARY**

This report is in response to a Council request at the May 8, 1991 Operating Budget Hearing to review expenses relative to airline ticket costs.

**BACKGROUND**

During the review of the Proposed Operating Budget there was a discussion regarding the City's cost of air fares. Council requested staff to investigate the current travel agent contract and determine how to lower the cost of airline tickets.

The City revised its travel request policies in Fiscal Year 1989-90. The City attempted to be included under the State's travel arrangement. However, this option was not available due to restrictions on the State contract. The City then utilized the County's process to obtain travel agent services and entered into an agreement with Giselle's Travel. These services include airline reservations, issuance and delivery of airline tickets, lodging arrangements, and car rentals. The agreement expires July 20, 1991.

Staff met with the Giselle's on reducing air travel costs. The results of the meeting are:

1. Contractually the City is guaranteed the lowest rate available at the time of the reservation. If the rate is not the lowest, Giselle's will refund the difference to the City. Giselle's includes with their invoice a

listing of ticket purchases, the price paid, the regular price, and the amount saved.

2. The agent addressed the factors that determine the price of airline tickets such as advanced reservations, advanced purchases, group discounts (ten or more), departure times, length of stay, and date flexibility.
3. The travel agent has agreed to provide training to City staff to make them aware of the potential savings from the above factors. The agent will meet with City travel coordinators to address additional travel savings and procedures to resolve questions relative to lowest available fares.

#### FINANCIAL

The total cost for air transportation for the City is approximately \$95,000 per year. The City pays the cost of the actual fare levied by the airline carriers. Giselle's reimbursement for services provided to the City results from the carrier's commission to them.

#### MBE/WBE EFFORTS

Giselle's Travel is a woman owned business operating within the City.

#### RECOMMENDATION

This report is for informational purposes, no action is required.

Respectfully submitted,



Betty Masuoka  
Finance Director

APPROVED FOR COUNCIL INFORMATION:



WALTER J. SLUPE  
City Manager

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June 19, 1990  
All Districts