

# Working With Chauffeured Car Providers



## GROUND TRANSPORTATION SUPPLIERS ARE EXPLORING TECHNOLOGY AND

new services, including on-demand offerings. And travel buyers are dealing with the safety and security issues related to ridesharing apps and in turn examining those aspects within their own programs more closely. The industry could face consolidation as smaller players struggle to compete with the low-cost platforms. Chauffeured cars remain a sliver of most companies travel and entertainment budget, but they also are high touch because top executives use the services most frequently.

### I. GATHERING DATA

- A. Obtain usage statistics from one or more industry sources.
  1. Corporate card data provides car services charges via merchant category codes, though some suppliers lump car services with rentals and taxis.
  2. Most car service companies can provide data on actual spend for the prior year.
  3. Corporate accounting may provide the percentage of travel and entertainment expenses spent on taxis, parking reimbursement and car services.
  4. An expense system that specifies a chauffeur category. Some let you mandate supplier names.
  5. Third-party suppliers might provide competitive bidding data.
  6. Travel agencies can estimate by counting air segments booked without rental cars. This also includes travelers using personal cars, taxis, shuttles and public transit.
  7. Gather data from meetings and events to leverage transient and meeting spend.
- B. Gather information on overall use, including frequent routes.
  1. A typical trip contains four segments: to and from the airport at each end.
  2. Include frequent destinations, organization offices and international locations.
  3. Include the types of reports needed, cost center or case number data and whether to use direct billing versus credit card billing.
  4. Average trip length and use of flat versus hourly rates.
  5. Vehicle use by individuals and groups.
  6. Special events requiring car services.
  7. Service requirements like Wi-Fi, newspapers, refreshments, driver requests, vehicle types, car color and alliances with air or hotel loyalty programs.
  8. Reservation method: phone, global distribution system, third-party or supplier.

### II. SETTING STRATEGY

Analyze usage patterns of sedan and limousine services and consider your arrangement.

- A. Exclusive nationwide or global agreement with one supplier, using corporate-owned locations, licensees and affiliates.
- B. One nationwide agreement with a primary supplier, supplemented by agreements with local suppliers.
- C. Agreements with two or more suppliers at a location, creating competition.
- D. An outsourced approach, using a service provider to manage suppliers, accounting and reporting.

### III. PREPARING AN RFP

Determine the level of chauffeured transportation your business requires, as suppliers in the segment span from low-cost providers to premium operators. Keep the RFP simple to make analysis more efficient, and note that suppliers may not respond to RFPs focused too heavily on rate alone. RFP samples can be obtained through travel management companies, consultants and/or industry associations. Allocate a proper amount of time for suppliers to provide a meaningful response. Note response deadlines clearly. Consider including:

- A. Company background: Mission, key company locations, domestic-/international-use percentages, total spend in category, transient-versus-meetings spend percentages, spend by location, typical number of travelers per car and typical type of vehicle.
- B. How long the provider has operated, number of locations and number of affiliates, licensees or franchisees.
  1. How does the corporate office select affiliates and enforce quality standards?
  2. Are standards for licensing, training, security and drug testing consistent at affiliated or licensed locations?
  3. What is the resolution process for problems with affiliates? What is the average response time for resolutions and/or billing issues?
  4. Will the company share with customers direct contact information for affiliates, franchisees and licensees?

5. What percentage of your company's trips are serviced by each affiliate, franchisees and company-owned suppliers?
- C. Fleet information.**
1. What is the size of the active fleet and the breakdown of makes and models?
  2. How many vehicles does the supplier own, and how many do partners, contractors and affiliates own?
  3. What are the average and maximum age and mileage of vehicles in the fleet? When does the supplier retire vehicles, and is this consistent across affiliates, licensees and company-owned locations? Request a current fleet report.
  4. Describe the company's maintenance program, including frequency of inspections, washings and maintenance and whether an audit of inspection reports is permitted.
  5. Are vehicles equipped with global positioning systems and emergency road service systems?
  6. Are vehicles equipped with hands-free communication equipment?
  7. Are hybrid, electric or alternative-fuel vehicles available? If so, in what cities, and what makes and models?
- D. Driver information.**
1. Describe the hiring of chauffeurs. Are background and security checks and drug and alcohol tests performed? How often are those tests performed? If a global bid, how do these background checks vary in other regions? How does it screen employees?
  2. What are the driver training and safety requirements? Are chauffeurs are tested upon completion with a written or road test? Do chauffeurs participate in a certification program? If so, is the program administered by a third party? What other training do chauffeurs receive?
  3. Does the company review licensing reports regarding their chauffeurs to assess any violations?
  4. Are chauffeurs licensed under a local jurisdiction?
  5. Are chauffeurs employees or independent contractors? Are independent contractors allowed to sublease their cars to others?
  6. Are chauffeurs allowed to work double shifts?
  7. Are chauffeurs required to be fluent in English or the language of the country where service is offered? Are some fluent in other languages?
  8. How many reportable accidents were chauffeurs involved last year?
  9. What is the average tenure of chauffeurs and turnover rate?
  10. Are armed driver services offered?
- E. Insurance requirements.**
1. What types and levels of insurance does the company have?
  2. What is the name and address of the principal insurance carrier? Ask for a copy of the certificate of insurance.
  3. Work with your organization's risk department to determine level of coverage needed.
  4. Request copies of the company's insurance certification for automobile (including owned, non-owned and hired vehicles), commercial/general liability, statutory worker's compensation and umbrella liability.
  5. What is the minimum insurance requirement for chauffeurs? Are they required to purchase it, and, if so, from the company's insurance firm?
  6. Does the insurance apply to every trip in every city serviced for every chauffeur?
- F. Reservations.**
1. Which passenger data are requested and maintained?
  2. Are reservations taken by phone, global distribution system, mobile app and/or online?
  3. Can reservations be processed 24 hours a day, seven days a week through all channels?
  4. What percentage of total reservations are booked online?
  5. What specific capabilities and advantages does your online booking system provide?
  6. What is the average call length?
  7. What is the average tenure of reservation staff? What type of training, quality monitoring is in effect?
  8. Does the company have a voice or computer dispatch system?
  9. Are its computer systems integrated? Ask for information on the system for reservations and dispatch.
  10. In what manner are rides confirmed before pickup?
  11. Are flight delays, cancellations or changes monitored?
  12. Does the company store sensitive data like credit card information?
  13. Are the company's transaction engine and customer payment storage PCI compliant?
- G. Rates.**
1. Does the company charge a flat rate or an hourly rate? Do pricing models vary by location? Do charges begin when the passenger is picked up, or when they driver leaves the lot?
  2. If it charges a flat airport rate, is the amount the same for departure and arrivals? If not, what is the difference? Does the rate have an hourly minimum and/or maximum? What type of rate kicks in after the limit? Does the company charge other airport fees? What are the wait fees? Does it provide airport terminal meet-and-greet services? Do in-terminal airport pickups incur additional charges? How long do chauffeured cars hold for domestic and international arrivals?
  3. Understand the full range of potential surcharges levied by suppliers. Which surcharges are negotiable, which can be waived and how are they assessed? It is highly recommended that you build into your agreement a surcharge advance notification clause. This requires your ground supplier to advise you in writing a certain amount of days prior to the introduction of any surcharge. Language that gives you an early out or termination should also be included in case you want to source another more cost-effective supplier. Suppliers can charge surcharges for fuel; out-of-town, late-night, weekend and holiday service; early or late pickup; waiting time; tolls; and airport parking.
  4. Are there any reservation-processing fees?
  5. What is its international pricing?

Are there extra mileage charges or high tax rates at overseas locations?

6. Does the company levy ASAP request fees?
  7. What are the extra charges for special vehicles?
  8. For how long are rates guaranteed? Many companies stipulate that rates must be guaranteed for 120 days.
  9. Are volume-based discounted rates offered? If so, what are the thresholds?
  10. Are upgrades or discount coupons negotiable?
  11. How is gratuity handled?
  12. Request that quotes be broken out with a base rate, taxes, tolls and gratuities, as well as other pricing components.
- H. Billing.**
1. Can the company bill electronically?
  2. With what software and in what formats are spending data transmitted?
  3. Can it provide reports that reflect usage patterns? If so, in what format? How can the data be sorted?
  4. What is the standard time frame for billing and payment? Is it consistent for service performed in affiliate markets?
  5. For overseas reservations, is billing available in U.S. dollars?
  6. Does the company provide central billing account features? Are credit card or charge card acceptable forms of payment? If so, which details are broken out on card statements?
- I. Other services.**
1. Does the company offer a VIP program? If so, describe it.
  2. Is it allied with airline or hotel loyalty programs? If so, determine any soft-dollar benefits the frequent customer program provides the traveler.
  3. Does it provide meeting services? If so, does it assign onsite dispatchers? Is there a charge? Are any other special services available, such as employee pooling or special multi-city business trip support?
  4. How does the company handle passengers who are more than an hour late, or don't show up at all? What charges are imposed? How

would the company communicate the situation to the passenger and the corporate travel office? How long will the driver wait if the passenger, reservationist or travel office cannot be reached?

5. Does the chauffeured transportation company have an alliance with a car rental company?
  6. What are the supplier's environmental and social responsibility initiatives?
- J. Customer service.**
1. How is quality managed? Is there a formal customer service program? When is it available?
  2. How does the company provide indemnification? Ask for a complete description of what is covered and how any dispute will be resolved. How many employees handle customer complaints? What is the timeframe for resolution of complaints?
  3. Is a manager assigned to the account?
  4. What mechanisms does the company use to measure customer satisfaction? Can it provide weekly records for all rides?
  5. Ask the provider to sign a service-level agreement with clearly defined and measurable key performance indicators.
- K. Company protections.**
1. How does the provider define its duty of care?
    - a. How does the company protect the data privacy of its clients? Does it describe what constitutes a breach of privacy, and how it will be remedied if it happens?
    - b. What information security provisions and standards does the company follow?
    - c. Is the supplier's commerce system compliant with Payment Card Industry standards?
  2. How does the company protect clients from a change of ownership?
  3. Can the supplier integrate into your preferred booking channel?
- L.** Request references from customers with comparable volume and needs.
- M.** Describe any new technological, fleet, service or operations enhancements the firm is planning.
- N.** In-car amenities: Chauffeured transportation providers in recent

years have added such offerings as wireless Internet connections, satellite television and radio, and even bulletproof exteriors.

1. What amenities are offered to passengers? Do such offerings come standard with all cars?
  2. What charges are associated with such offerings?
- O.** Consider an onsite visit, ideally at a location where your volume is highest during peak hours, to check the availability of cars, level of maintenance, types of technology used and professionalism of dispatchers and drivers.
- P.** Consider setting up a pilot arrangement with the supplier for a limited period of time to test service and performance, including the billing mechanism and problem-resolution process.

#### IV. EVALUATION AND IMPLEMENTATION

Mind your organization's service needs and budgetary limits. Weigh the true value of a supplier: Some suppliers will negotiate discounts, while others prefer to offer added services, such as an onsite representative or an account manager. Be sure the supplier will assist you in implementing the program and that the sales team provides support.

- A.** If selected, how much time would the supplier require before fully implementing? Request a detailed implementation plan that identifies the major tasks, dependencies and timeframes required to implement the services.
- B.** Ask that any additional costs associated with implementation process be fully disclosed.
- C.** Some providers have a special implementation team. Determine who is responsible for the tasks at hand.
- D.** How does the supplier help support program compliance?

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