

Working with Chauffeured Car Providers



WHILE CHAUFFEURED CARS MAY NOT REPRESENT MORE THAN A FEW percentage points of a typical organization's total travel expenditure, the lower costs and higher traveler comfort and security that a well-structured ground transportation program can provide make developing one a worthwhile effort. The market continues to develop rapidly, with consolidation among established chauffeured providers alongside the further growth of on-demand chauffeured car service providers like Uber and Lyft and on-demand apps like Blacklane and GroundLink. Business travelers' general acceptance of these nascent on-demand options can add complexity to established chauffeured transportation programs. The following are steps and considerations to keep in mind when negotiating with chauffeured transportation companies.

I. GATHERING DATA

A. Usage statistics.

1. Most car service companies can and should provide data. This is the most accurate data, as it is actual and should show a breakdown of the charges for the prior year.
2. Corporate card data provides car services charges via merchant category codes, though some card suppliers lump car services with rentals and taxis.
3. Corporate accounting may provide the percentage of T&E spent on each taxis, parking reimbursement and chauffeured services.
4. Expense systems can specify a chauffeur category. Some let you mandate supplier names.
5. Booking technology companies can provide competitive bidding data either through a request for information or an RFP.
6. Travel agencies can estimate by counting the air segments that are booked without rental cars. This number also includes travelers using personal cars, taxis, shuttles and public transit and thus can be inaccurate.
7. Data from meetings and events allows you to combine transient and meetings spend for greater negotiating leverage.

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 high-usage destinations and your organization's offices and international locations.
3. Include the reporting you need, cost center or case number data and whether to use direct billing versus credit card billing.
4. Average trip length.
5. Vehicle volume and transaction, broken down by pickup and dropoff points and use by individuals and groups.

6. Point out special events that would require chauffeured volume and transaction use.
7. Service requirements like Wi-Fi, newspapers, refreshments, vehicle types and car color.
8. Historical reservation method by percentage: phone, supplier direct, online booking tools and bridge technology.
9. Average cancellation time and charges incurred from cancellations.

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. This leaves you with no backup options and thus could mean overpayment in some markets.
- B. One nationwide agreement with a primary supplier, supplemented by agreements with local suppliers.
- C. Agreements with two or more suppliers at a particular location, creating competition.
- D. Agreement with a service technology provider.
- E. Outsourcing to a consultant to manage suppliers, accounting and reporting.

III. PREPARING AN RFP

Determine the level of chauffeured transportation your organization requires, as suppliers in the car rental segment span from low-cost providers to premium operators. Keep the RFPs 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 industry associations. Allocate a proper amount of time for suppliers to provide a meaningful response. Note response deadlines clearly. Consider including:

- A. Your company's key locations, domestic versus international-use ratio, total spend on chauffeured services, transient versus meetings spend ratio, event needs, spend by pickup and dropoff locations and

by vehicle type, level of insurance coverage and typical number of travelers per car.

- B.** How long the supplier has operated, number of locations and number of affiliates, licensees or franchisees.
1. How does the supplier select affiliates and enforce quality standards?
 2. Does the supplier permit the affiliate to subcontract rides?
 3. Are standards for licensing, training, security and drug testing consistent across affiliated or licensed locations?
 4. What is the supplier's resolution process for problems? What about its affiliates? What is the average response time for resolutions and billing issues?
 5. Will the supplier share direct contact information for affiliates, franchisees and licensees with clients?
 6. What percentage of your trips will be serviced by affiliates, franchisees and company-owned suppliers?
- C.** Fleet information.
1. What are the size of the active fleet and the breakdown of makes and models by average years and average mileage?
 2. How many vehicles does the supplier own, and how many do partners, contractors and affiliates own?
 3. 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 GPS, emergency road-service systems and in-car video?
 6. Are vehicles equipped with hands-free communication?
 7. Are hybrid, electric or alternative-fuel vehicles available? In what cities, makes and models?
 8. Are multiple types of vehicles available, such as economy class, business class, business van or SUV and luxury?
- D.** Driver information.
1. The supplier's hiring process. 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? Do they include fingerprinting? How does the supplier screen employees?

2. What are the driver training and safety requirements? Does the supplier give chauffeurs a written test or road test? Do chauffeurs participate in a certification program? Is the program administered by a third party? What other training do chauffeurs receive?
 3. Does the company review licensing reports to assess violations by their chauffeurs?
 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? What is the maximum time a driver works?
 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. In how many reportable accidents were chauffeurs involved last year?
 9. What is the average tenure of chauffeurs and the turnover rate?
 10. Are chauffeurs required to have certain levels of experience? If so, what are they?
 11. 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 automobiles, 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. What passenger data does the supplier request and maintain?
2. Are reservations taken by phone, email, global distribution system, app and/or online?
3. Can reservations be processed 24/7 through all channels?
4. What percentage of reservations are booked online?
5. What specific capabilities and advantages does your Web-based booking system provide over booking through a third party?
6. What is the average call length?
7. How quickly are calls from corporate clients answered?
8. What is the average tenure of reservations staff? What types of training and quality monitoring are in effect?
9. Does the supplier handle dispatches by voice or computer?
10. Are its computer systems integrated? Ask for information on the system for reservations and dispatch.
11. How are rides confirmed?
12. Does the supplier monitor travelers' flight delays, cancellations and changes?
13. Does the supplier store data like credit card information? Where? Is there backup in case of catastrophe?
14. Does the supplier's entire network comply with the Payment Card Industry Data Security Standard, and is that certification up to date?
15. What is the cancellation process and minimum lead time to avoid charges?
16. What is the minimum lead time to book a new reservation?
17. What languages does the reservation staff speak?
18. Are bookings guaranteed?

G. Rates.

1. Does the company charge a flat rate, distance-based rate and/or 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 departures and arrivals? What is the difference? Does the hourly rate have an hourly minimum and/or maximum? What type of rate kicks in after the limit? How long do drivers hold for train station

- arrivals and other types of pickups?
3. Does the company charge other airport fees? What are the wait fees?
 4. Does it provide airport terminal meet-and-greet services, and is there a charge? How long do chauffeured cars hold for domestic and international arrivals?
 5. Understand the full range of surcharges levied by suppliers. Which surcharges are negotiable, which can be waived and how are they assessed? Your RFP should not allow any other surcharges to be charged than listed in the RFP. Also include a 60-day cancellation clause that gives you an early out or termination in case you want to source another, more cost-effective supplier.
 6. Are there any reservation-processing fees?
 7. Are there extra mileage charges, high tax rates or additional charges at overseas locations?
 8. Does the company levy ASAP request fees?
 9. For how long are rates guaranteed? Many companies stipulate that rates must be guaranteed for 120 days.
 10. Is there a rebate? If so, what is it?
 11. Are upgrades or discount coupons negotiable?
 12. How is gratuity handled?
 13. Request that quotes be broken out with a base rate, taxes, tolls, fuel charges, administration fees, parking fees and gratuities, as well as other pricing components.
 14. Are taxes included in rates, or are they additional?
 15. Are final rates provided up front, at the time of booking?
 16. Request rate sheets for your five to 20 most common routes or cities.
- H. Billing.**
1. Can the company bill electronically?
 2. With what software and in what formats is spending data transmitted?
 3. What reports can be provided? 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 cards 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 there a loyalty program, and is it aligned with hotel and airline loyalty programs.
 3. Does it provide meetings services? If so, does it assign onsite dispatchers? Is there a charge? Are any other special services available, such as employee pooling and special multi-city business trip support?
 4. How does the supplier handle passengers who are more than an hour late or don't show up at all? What charges are imposed? How would the supplier 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 or a dedicated program for corporate customers? 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. What is the time frame for resolution of complaints?
 3. Is a manager assigned to the account?
 4. What mechanisms does the supplier use to measure customer satisfaction? Can it provide weekly records for all rides?
 5. Ask the supplier to sign a service-level agreement with clearly defined and measurable key performance indicators.
 6. How can passengers provide feedback on drivers and vehicles for each ride?
- K. Company protections.**
1. How does the supplier define its duty of care?
 - a. How does the supplier protect the data privacy of its clients? Does it describe what constitutes a breach of privacy and how it will remedy it?
 - b. What information security provisions and standards does the company follow?
 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: Providers in recent years have added such offerings as Wi-Fi, satellite television and radio and even bulletproof exteriors.
1. What amenities are offered to passengers? Do such offerings come standard?
 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 add 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.** Request a detailed implementation plan that identifies the major tasks, dependencies and time frames required to implement the services. How long would it take?
 - B.** Ask that any additional implementation costs be fully disclosed.
 - C.** Some providers have an implementation team. Determine who is responsible for the tasks at hand.
 - D.** How does the supplier promote traveler compliance with your program?

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