

**State of Colorado  
Airlines Travel Price Agreements  
Invitation for Bid #IFB-AIRLINES-RS**

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## Section I Administrative Information

### A. Bid Information and Distribution System (BIDS) and Registration

Bids are being solicited via the Colorado Bid Information and Distribution System (BIDS). Bidders must be registered in order to download the official solicitation documents. It is mandatory that the bidder be registered before the bid submission deadline in order to have their bid response considered for evaluation or award. BIDS registration information is located on the Internet at the following address:

<http://www.gssa.state.co.us/Companies.nsf>

### B. Written Inquiries

Prospective bidders may make written inquiries regarding the requirements, specifications, and terms and conditions of this Invitation for Bid to Bob Siefken at the State of Colorado Purchasing Office via fax, email or US Mail. The State prefers, however, that inquiries be submitted via email.

FAX: 303 894-7440

Email: [Bob.Siefken@state.co.us](mailto:Bob.Siefken@state.co.us)

US Mail: State Purchasing Office

225 East 16<sup>th</sup> Ave., Suite 802

Denver, CO 80203

ATTN: Bob Siefken, Inquiry – Bid #IFB-TRAVEL-RS

Inquiries must be received on or before the written inquiry deadline listed in the Schedule of Activities section below. In any event, however, *the State will not respond to verbal inquiries* regarding the requirements, specifications and terms and conditions of this Invitation for Bid. The State will not respond to any inquiries either verbal or written after the written inquiry deadline.

### C. Schedule of Activities

Activity	Date
Invitation for Bid posted on BIDS system	October 9, 2003
Written Inquiry Deadline	October 15, 2003
Bid Submission Deadline	October 28, 2003

## Section II

## Background, Overview, and Goals

**A. Background:** The Division of Central Services of the State of Colorado is responsible for the administration of statewide airlines travel price agreements. The primary tool enabling the State to obtain competitive fares is the State's own comprehensive information about its travel spending. The State's contract with US Bank VISA provides a payment system that can track all travel expenditures charged through the US Bank VISA Corporate Cards or the Corporate Travel System, the so-called "ghost cards" or centrally billed airfare accounts. With this system in place, the State of Colorado requires that all air travel, including that of all state agencies and institutions of higher education, be charged through the State's US Bank VISA accounts. This payment system gives the State a statewide database of all expenditures for official State of Colorado air travel.

The Statewide Travel Management Program, operated by the Division of Central Services, provides for a decentralized and comprehensive system for tracking travel expenditures through 80 travel agencies. The State reserves the right to reduce the number of travel agencies it uses at its sole option during the term of this agreement. With these capabilities, the State offers contracting airlines comprehensive travel management information, controls to prevent abuse of State government contracted airfares, and contractual relationships between the State and travel agencies to assure a shift in market share.

The State of Colorado now has had considerable experience with contract airfares. The State can show good contract compliance and shift in market share when contract carriers offer aggressive fares and match any competing fares available to the general public. The State has achieved this level of contract compliance through regular communication with and monitoring of its participating travel agencies and through the enthusiastic support of all State agencies and institutions of higher education. Compliance will be further strengthened by the [Governor's Executive Order D 005 03](#).

**B. Overview:** The State seeks a cost savings in travel dollars by obtaining contract airfares from Federal Aeronautics Administration certified common carriers. In fiscal year 2002, the most recent full year of data, the State spent approximately \$51.1 million on travel. Of this amount, the State spent \$16.1 million through the Diners Club system for commercial air travel. Additionally, the State spent \$5.2 million for personal vehicle reimbursement, some part of which spending could be diverted to contract carriers by attractive intrastate airfares. By way of this Invitation for Bid, the State seeks to increase air mileage and service for its travel dollars by establishing mutually beneficial arrangements with airlines that can provide service to the State.

**C. Goals:** The goal of this Invitation for Bid is to promote greater economy and efficiency in air travel for official business by the State of Colorado. More specific objectives of this Invitation for Bid are:

1. To achieve cost savings through contract airfares on unrestricted fares and on capacity controlled fares for as many of the State's city-pair routes as feasible;
2. To provide State travelers with levels of service comparable to that available to the general public;
3. To secure twelve-month contracts with airlines with optional renewals such that the State receives advantageous airfares that accord with the State's position in the marketplace as a volume consumer of commercial air travel.

## Section III Statement of Work

**A. Scope of Price Agreement:** The price agreements resulting from this Invitation for Bid are to provide the State of

Colorado with unrestricted fares and capacity controlled fares for scheduled air passenger transportation services by Federal Aeronautics Administration certified common carriers. among various cities or airports for official State of Colorado government travel.

**B. Mandatory Users:** When undertaking official government travel, all travelers whose airfare is being paid for DIRECTLY by the State of Colorado such as students, guest lecturers, job candidates, wards of the state and the like, and all employees of the State of Colorado in the Executive Branch, including all institutions and agencies of higher education, shall use the transportation services provided by the contractors. This definition of mandatory users excludes cost reimbursable contractors.

The State of Colorado has three types of non-mandatory users--the General Assembly, the Judicial Branch, and Political Subdivisions established by the State of Colorado. Use by any such entity and its employees depends upon the entity joining and following the procedures of the Statewide Travel Management Program of the Division of Central Services. This requires specifically using only the Program's authorized travel agencies as the travel reservation system and using the Program's US Bank VISA centrally billed airfare accounts as the payment vehicle. In addition, use is for official business travel only.

**1. General Assembly:** When undertaking official government travel, all employees and officials of the State of Colorado in the Legislative Branch or any entity created by the General Assembly such as State-created authorities may use these contract fares but are not required to use them. Airlines are required to extend all price agreement rates, terms and conditions to the General Assembly and its employees.

**2. Judicial Branch:** When undertaking official government travel, all employees and officials of the State of Colorado in the Judicial Branch may use these contract fares but are not required to use them. Airlines are required to extend all price agreement rates, terms and conditions to the Judicial Branch and its employees.

**3. Political Subdivisions:** Political Subdivisions within the State of Colorado have requested participation in the Program. In line with its customer service orientation, the Program offers Political Subdivisions access to the Program and the benefits providing that any participating Political Subdivision enters the Program, follows the established procedures and uses all contracts relating to travel that have been established by the State of Colorado Division of Purchasing and the Statewide Travel Management Program. Although airlines are not required to extend price agreement rates, terms and conditions to Political Subdivisions, they are highly encouraged to do so.

**D. Estimated Usage:** The usage by the State of Colorado for air travel for 2002 was \$16.1 million. The estimated usage in this Invitation for Bid in no way constitutes a guarantee of volume. Bidders will find usage in calendar year 2002 indicated by city-pair in the Schedule of Items under the "Annual Round Trips" heading. The city-pair routes offered for bid in this solicitation constitute approximately 95 percent of the State's total airfare spending. The number of trips for some city-pairs has been adjusted based on 2002 volumes.

**E. Definitions Used in Bid: Non-Stop, Direct and Connecting Standards, Abbreviations and Definitions**—To assist vendors and to clarify the State's expectations, the following abbreviations and definitions for flight standards are supplied.

**1. Flight Standard--Abbreviations and Definitions**

- a. N/S = Non-Stop service: Non-Stop service shall involve no stops en route between listed origin and destination.
- b. D/C = Direct/Connecting service: Direct service shall involve no more than

one stop en route between listed origin and destination. Connecting service between listed origin and destination shall involve no more than one (1) connecting flight segment in one direction with the connect time not to exceed one and a half (1 ½) hours for domestic flights. Connecting service for international flights shall involve no more than three (3) connecting flight segments in one direction **within** the contiguous 48 United States, providing the aggregate total of the connect times does not exceed four (4) hours.

**2. Definitions of Unrestricted and Capacity Controlled Fares:** The State offers the following extended descriptions to assist bidders in making their offers:

- a. **Unrestricted Fare:** A full coach contract airfare--for example a YCACO fare—is understood as a fare with no capacity controls that is fully refundable, requires no advance purchase, no overnight stay requirements, no flight specific limits and must have last seat availability--a fare without restrictions.
- b. **Capacity Controlled Fare:** A full coach contract airfare--for example a WCACO fare—is understood as a fare with capacity controls that is fully refundable, requires no advance purchase, no overnight stay requirements, no flight specific limits - a fare without restrictions.
- c. **Alternate Definition of Fares:** Airlines using different definitions are directed to fill out the “Definition of Fares” sheet. The State, at its own discretion, may choose to accept or reject a bid in its entirety based on the feasibility of administering alternative fare types.

***Please Note:** The State has allowed for airlines to offer their own definitions that do not, in the State's sole judgment, disadvantage the State over the definition listed by the State in this bid. However, such definitions shall remain stable throughout the term of the price agreement.*

**F. Bids Required for Both Unrestricted and Capacity Controlled Airfares:**

While it is important from an administrative and policy standpoint for the State of Colorado to receive the lowest contract fare in the market place, the State intends a practical approach to obtaining contract fares. The State recognizes that seasonal and promotional fares will often price lower than the State's

contract fares and simply directs its travelers to use any such fare if possible but to stay with the contract carrier on any particular route. As a result, the State requires bids for both unrestricted and capacity controlled fares for both domestic city-pairs and international city-pairs.

**G. Implementation Plan:** The State of Colorado seeks to work cooperatively with the contractor(s) to make these price agreement airfares a benefit to all parties. In addition, the State of Colorado in cooperation with the awarded contractor(s) will make known the contract published fares to the 80 travel agencies serving the State of Colorado through the Statewide Travel Management Program. The State is prepared to enforce its requirement that travel agents serving the State use contract carriers, and will seek the suggestions and cooperation of contracting carriers in this enforcement. **Please note:** The State has an interest in reducing the number of travel agencies providing service to the State and may reduce this number during the term of these agreements.

**H. Contractor’s Responsibilities:** The Contractor will provide to the State the same services provided to the general public in scheduled service subject to the rules and procedures published in the air carriers' tariffs on file with the Airline Tariff Publishing Company or contained in the Contractor's contract of carriage, a copy of which shall be provided to the Statewide Travel Management Program on request. If an airline does not conform to these business practices, the State requires the airline to complete the attached “Business Practices Form” providing a description that demonstrates how its fares and regulations are made known to the industry, travelers and travel agencies in particular.

**1. Flight Availability:** Any fare placed under contract will apply seven days per week to all coach class seats on scheduled flights of that contract carrier in the market bid.

**2. Base Fare, Taxes/Fees:** All bidders must include in the fares bid the cost of the meals and baggage handling normally and customarily provided by scheduled carriers to coach passengers. Bidders shall provide a rate for each city-pair bid that is a “base fare”. Base fares shall be all-inclusive with the following exception - any fees/taxes/charges that are assessed by the government (federal/state/local) to the airlines that are out of the airline’s control are not to be included in the base fare. Airlines shall assess such fees/taxes/charges separately from the base fare. The State will allow for price increases on such government-imposed fees/taxes/charges at any time during the contract period if said increases are based upon substantiated costs imposed on the airline by governmental regulation. The airline shall submit a request in writing to the State for any such proposed price increases on said fees/taxes/charges prior to implementation of the increase (s).

**3. No Discrimination Against Government Travelers:** The Contractor shall make reservations for State of Colorado official government travelers on the same basis as for coach service travelers and shall not discriminate in favor of commercial travelers.

**4. Published Fares:** For each city-pair on which the bidder submits a bid, the bidder shall offer a fixed, base fare valid for the first twelve (12) months of the price agreement. The State requires that such fares appear in standard computer reservation systems or the airlines equivalent system of publishing its fares. The bidder must quote on the Schedule of Items a fixed base fare expressed in United States currency rounded to the nearest dollar.

**5. Terms of Fare Applicability--Dates of Travel:** The State requires that all tickets purchased within the period of the contract allow a minimum availability of dates of travel for at least thirty (30) calendar days after the end of the term of each year of the contract. More extended terms of availability of dates of travel are desirable, especially if the airline can extend availability up to ninety (90) days. Many of the State’s travelers plan their trips well in advance, and an artificial limitation on travel dates hampers such planning and purchasing. The State will warrant that it will not make contract fares from any subsequent year’s Invitation for Bid available to travelers or travel agencies prior to the termination of the then current year’s contract. The State asks bidders to stipulate the date in which travel must be completed on Applicable Dates of Travel Form. Bidders must allow date of departure for travel to extend to at least December 11, 2004 and similarly for any years of extensions granted.

**6. Definitive Fare Basis Codes:** The bidder must provide a complete definitive fare basis code for each fare bid that will remain the same throughout the term of the price agreement. All contractors are required to use the following fare basis codes:

- a. Domestic Fare Basis Codes:
  - Full Coach or “Y” Fare: YCACO
  - Capacity Controlled Fare: \_CACO

- b. International Fare Basis Codes:
  - Full Coach or "Y" Fare: YCACO
  - Capacity Controlled Fare: \_CACO

The underscore space allows carriers to identify their own applicable yield management seating category.

**7. Prohibition Against Use of YCACO In Matching Fare:** The YCACO fare basis code shall not be used for any city-pair matching fare not awarded to a carrier with a price agreement for any other city-pair. The intent of this prohibition is to limit the use of YCACO fare basis codes only to the carrier that has obtained the award for the city-pair so designated by the fare basis code.

**8. Prohibition Against Use of \_CACO In Matching Fare:** The \_CACO fare basis codes shall not be used for any city-pair matching fare not awarded to a carrier with a price agreement for any other city-pair. The intent of this prohibition is to limit the use of these fare basis codes only to the carrier that has obtained the award for the city-pair so designated by the fare basis code.

**9. State Will Take Lower Fare If Made Available to Public:** Should a non-contract carrier make available to the general public a commercial fare lower than the State's price agreement fare, the State may use the lower fare in lieu of the price agreement fare if otherwise eligible and if not matched by contract carrier. Any carrier with a city-pair contract that does not match lower competing fares available to the general public can expect that the State travelers and travel agencies will find and make use of such lower fares and that the State can warrant no contract compliance under such circumstances.

**10. State Will Prohibit Use of Any Government Airfares Offered to Other States:** The Statewide Travel Management Program will prohibit its authorized travel agencies to sell any other state government airfares to State of Colorado travelers. Travel agencies that sell government airfares offered to other states will lose their State authorizations and their US Bank VISA ghost card accounts will be

canceled. The Statewide Travel Management Program requests the cooperation of airlines to clarify their fare rules for state government published fares in the Computerized Reservation Systems used by travel agents so there will be no confusion on the part of travel agencies concerning which State is to receive any particular government airfare. Airlines should state in their rules, for example, that fares for Colorado are restricted to State of Colorado official government travel and similarly for other States.

**11. Compliance With Federal Rules:** Contractors must comply with all relevant rules and regulations of the United States Department of Transportation, as well as provisions of the Federal Aviation Act of 1958. The Air Carrier Access Act of 1986 and any subsequent federal law and all implementing regulations that have been issued by the United States Department of Transportation will be applicable to any resulting price agreement.

**12. Refunds:** Contract carriers are required to refund fully all unused full coach tickets or portions of any full coach ticket to the State of Colorado agency paying for the ticket by means of a credit card refund notice through any travel agency serving that state agency under the Division of Central Services' Statewide Travel Management Program. Any variance from this practice is to appear in the section headed "Refund/Reticketing" of the "Definition of Fares" form. The traveler's State of Colorado agency or institution of higher education will pay any applicable reticketing charges that may result from cancellations or charges occasioned by a State traveler. Any variance from this requirement must be described on the "Definition of Fares" form.

**13. Commencement of Service:** For any city-pair bid, the airline shall either already be providing service or shall

commence service no later than November 11, 2003.

**14. Seat Selection/Interline Services:** The airline must provide seat selection service either in advance or at departure for State of Colorado travelers. In addition, the airline must provide interline services for both baggage and ticketing.

**15. Changes in Schedules that Reduce Service Level:** If a Contractor's flight schedules are reduced to the extent that they no longer meet the minimum service standard described in the bid for a given city-pair, the Contractor is required to immediately notify the Statewide Travel Management Program. The price agreement for any affected city-pairs with the airline shall then be terminated.

**I. State of Colorado Responsibilities:** The State of Colorado, through the Division of Central Services' Statewide Travel Management Program, will disseminate mandatory requirements and procedures to State travelers concerning the use of the resulting contract fares.

**1. Use of Contract Carriers:** By the authority of the State Controller and the State's fiscal officers, the State of Colorado will require its travelers to obtain service first from the contractor for any city-pair under contract. The contract carrier is to be used except under one or more of the following conditions:

- a. space or scheduled flights are not available to accomplish the purpose of the travel, or use of available contract service would require the traveler to incur unnecessary overnight lodging costs which would increase the total cost of the trip; or
- b. a non-contract carrier offers a lower fare available to the general public, including Internet fares, the use of which will result in a lower total trip cost to the State of Colorado, to include the combined costs of transportation, lodging, meals and related expenses, or *(Note: This exception does not apply if the contract carrier(s) offers a comparable fare and has seats available at that fare.)*
- c. traveler is inconvenienced more than three (3) hours by using the awarded airline; or
- d. service is discontinued by awarded airline.

Bidders are advised that some State of Colorado travelers utilize federal funds for their travel. When federal funds are used, travelers must comply with the provisions of the Fly America Act (Federal Travel Regulations § 301-10.131 – § 301-10.143)

**2. Limits on Ordering of Service—State Authorized Travel Agencies Only:** Service on contract airfares shall be ordered only through travel agencies holding State Authorizations to do business with the State of Colorado and that are selected by participating State agencies or institutions of higher education.

**3. Limited Payment Vehicle and Avoidance of Contract Abuse—State Travel Card System:** In order to eliminate any possible abuse of State of Colorado contract airfares, charges for contract fares will be made only through US Bank centrally billed airfare accounts established by the Division of Central Services through the Statewide Travel Management Program. The State of Colorado will not alter its method of charging airfares without consulting its contracting airlines prior to any such change, but assures all Bidders that the State will prevent any abuse of contract airfares by its employees under any payment plan it might make use of. The State of Colorado has, as of July 1, 1999, prohibited any personal use of the State authorized travel card, US Bank VISA. Only official State of Colorado government business is allowed to be charged on individually held, State-issued US Bank VISA cards.

**4. Exceptions to Payment Vehicle Policy for Contract Fares:** The only two allowable exceptions to this policy of charging contract fares through State US Bank VISA centrally billed airfare accounts are:

- a. A State of Colorado traveler on official government business must make an emergency change in

plans while en route and is unable to reach the travel agency originally issuing his or her ticket;

- b. A State of Colorado traveler on official government business must make an emergency trip and cannot contact a travel agency serving his or her State agency prior to his or her departure.

In these two instances only, contract fares may be charged to a US Bank VISA individual card or event card authorized by the State of Colorado

**5. Use of Awarded Fares with Other Fares:** The State of Colorado may use the awarded fares in conjunction with other published fares, including other contract and non-contract fares, if necessary. Under this provision, Contractors shall provide through-ticketing and service, except where otherwise prohibited by applicable statute or regulation.

**6. Shift in Market Share and Sanctions on Non-Cooperating Travelers:** The State of Colorado recognizes that the essence of contracted airfares is the shifting of market share to the air carrier contracted to serve any particular city-pair to offset through increased volume that carrier's loss in yield resulting from the awarded fares. The State accepts its responsibility to educate its travelers in the use of price agreement airfares resulting from price agreements. The State further will train its travel agencies to use contract airfares and specifically stands ready to enforce contract provisions with travel agencies requiring that preferred provider arrangements be overridden in favor of furnishing contract airfares to State travelers. While the State cannot mandate the exclusive use of contract airfares, it has the means, through existing reporting mechanisms that are a part of the Statewide Travel Management Program, to monitor the performance of its travel agencies, its State agencies and institutions, and its individual travelers. Sanctions for abuse or nonuse of contract airfares by travel agencies can include audits of travel agency transactions and revocation of the award to do business with the State. Sanctions for nonuse of contract airfares by individual State of Colorado travelers on official government business can lead to disciplinary action and possible termination by the traveler's agency or institution for violation of Fiscal Rules or any Statewide Travel Management Program Rules.

**7. Price Agreements:** The State will issue a price agreement(s) to the successful bidder(s) for the bid(s) accepted on any city-pair. This price agreement will serve as the contract between the Contractor and the State. The initial term of this price agreement is from November 12, 2003 through November 11, 2004. At the end of the first year, upon mutual agreement between the State of Colorado and the awarded airlines(s), the price agreement(s) may be extended for a second year through November 11, 2005. At the end of the second year, upon mutual agreement between the State of Colorado and the awarded airlines(s), the price agreement(s) may be extended for a third year through November 11, 2006.

In the event that an extension is not mutually agreed upon for either the second or third year, the State will resolicit competition for the affected city-pairs.

**8. Price Adjustments Based on Consumer Price Index (CPI):** Prices bid must be held firm for the initial twelve-month term of the price agreement. Airlines may request price adjustments for subsequent years. However, such requests must be in writing and received by the State of Colorado Purchasing Office no later than sixty (60) calendar days prior to the then current contract year. Any adjustment will be based solely upon changes in Consumer Price Index and fares will be adjusted by a corresponding percentage change from the CPI at the start of the following contract year. The State reserves the right to accept, reject or negotiate any proposed rate adjustment. In the event that the State and the airline cannot reach a mutually acceptable agreement on a proposed rate adjustment, the State at its sole option may solicit new competition for the affected city-pair(s).

In the event that airline travel rates decrease substantially prior to the end of the then current contract year, the State reserves the right to request, in writing, a price decrease for the affected city-pairs for the following contract year. The State will provide its request in writing to the airline no later than sixty (60) calendar days prior to the end of the then current contract year. In the event the State and the airline carrier cannot reach a mutually acceptable agreement on a proposed price decrease, the State, at its sole option, reserves the right to cancel the award for the affected city-pairs and

resolicit competition.

**9. No Circuitous Routing:** Bidders shall only be eligible for City-Pair routes where the total flight miles between direct or connecting cities does not exceed the chart shown below.

Flight Miles	Percentage Allowed
0-200	175%
201-600	160%
601-1000	145%
1001-1400	140%
1401-2000	135%
2001-3000	130%
3001 & up	125%

For example, Bidder A places a offer from Anytown to Smallville, the actual air miles between this segment being 950 miles. However, Bidder A has to route its passengers through Big City. With the two connections, a total of 1450 air miles is flown. Bidder A would be ineligible for this market since its sequenced mileage is at 153%, exceeding the maximum by 8%.  $1450 \div 950 = 1.526$  rounded up to 1.53 or 153%.

## **Section IV Bidder Responses**

**A. General Requirements:** SEALED bids properly marked with Solicitation/Bid No., Due Date and Time will be accepted at the State Purchasing Office at the address indicated in the “BIDS” solicitation notice *on or before the date and time listed*. Please note: fax responses *will not be accepted*. Your company *must be registered on the State of Colorado BIDS system prior to the submission deadline listed in the BIDS solicitation notice*. The sealed bid response shall contain all of the following:

1. State of Colorado Invitation for Bid sheet – one hard copy, must be completed and signed;
2. Schedule of Items—one hard copy of the Schedule of Items, must be completed and signed - one electronic copy on 3.5” diskette or CD-ROM of Schedule of Items must also be submitted;
3. Code Sharing Form – one hard copy;
4. Definition of Fares Form - in order to assign the value of the fares offered, the State requires the definition of airfare codes - the bidding airline must specify which city-pairs are included in each of the definitions of fares – one hard copy;
5. Applicable Travel Dates Form – one hard copy;
6. Extension of Price Agreements to State of Colorado Political Subdivisions Form, one hard copy;
7. Paper Ticket Charges Form, one hard copy;
8. Business Practices Form, one hard copy.

### **B. Schedule of Items:**

**1. Requirements/Format of Bid on Schedule of Items:** For each city-pair bid for both domestic city-pairs and international city-pairs, a bid is required for both unrestricted and capacity controlled fares. Bidders must furnish all applicable information specified in the Schedule of Items for each city-pair fare bid. In any disparity in pricing items

between the hard copy and the electronic copy of the bid submission, the hard copy will govern.

**2. Bids Accepted on Any Number of City-Pairs:** Bidders may make a bid on one or any number of the city-pairs listed in the Schedule of Items.

**3. Schedule of Items Elements A-M:** Bidders will find at the top of each column on the Schedule of Items a capital letter ranging from A through M. These letters correspond to the cells in the electronic spreadsheet provided with this Invitation for Bid. Following are directions for reading and filling out each element in the Schedule of Items or each cell in the spreadsheet. **Bidders are to complete only those columns that are shaded in blue.**

**Column A – City-Pairs Listing**

This is an itemized list of city-pairs in alphabetical order. The origin city is in the preceding header in bold text. For example “**City to/from Denver (DEN)**”. Foreign routes are listed first and then domestic routes with the corresponding city in a preceding header. For those city-pairs which are highlighted in yellow shaded text, the State will only consider bids for Non-Stop service. The State has pre-populated this column – bidders shall not change any of the information in this column.

**Column B – Airport Codes**

The airport codes for each city-pair are listed for the convenience of the bidders. Bidders are advised that the city-pairs are bi-directional. The State has pre-populated this column – bidders shall not change any of the information in this column.

**Column C – Annual Round Trips**

Each city is followed by the number of round trips traveled by the State of Colorado during calendar year 2002. A few city-pairs are being newly bid – as such, there is no historical data for annual round trips for them. The letters “N/A” (Not Available) are in this column for these city-pairs. The State has pre-populated this column – bidders shall not change any of the information in this column.

**Column D – Minimum Service Standard Code**

The State has listed the minimum amount of flights per day (seven days per week) or per week for each city-pair. A whole number indicates the minimum amount of flights per day. For example, if the Minimum Service Standard Code is “2”, the airline must provide at least 2 flights per day to that city-pair. In addition, the airline must provide the minimum number of daily flights indicated during regular business hours (Monday – Friday, 8:00 am – 5:00 pm, Denver time). If the vendor provides more than the minimum daily flight requirement, all flights in excess of the minimum must be covered under this price agreement.

Flights per week are designated by a number with a decimal point. For example, if the minimum amount of flights per week is “0.4”, the airline must provide at least 4 flights per week for the city-pair listed. However, if the airline provides more than the minimum amount of flights per week, all flights in excess of the minimum must be covered under this price agreement.

The State has pre-populated this column – bidders shall not change any of the information in this column.

### **Column E – Nautical Air Miles**

This is the nautical air mileage between the origin and destination for each city-pair. The State has pre-populated this column – bidders shall not change any of the information in this column.

### **Column F – Flight Miles**

Bidders shall insert the actual flight miles for each city-pair that they bid in this column.

### **Column G – Circuitous Routing Calculation**

Based on the Nautical Air Miles that the State of Colorado listed in Column E and the Flight Miles inserted by the bidder in Column F, the electronic spreadsheet will automatically provide the Circuitous Routing Calculation in Column G. Bidders shall not insert any information in this column.

### **Column H – YCACO Fare**

The city-pair fares are bi-directional one-way and round trip. For purposes of this bid, however, bidders shall insert the **one-way fare** for each city-pair on which they are bidding in this column.

### **Column I – N/S or D/C?**

For the YCACO Fare bid in Column H, bidder shall indicate if the flight is Non-Stop (N/S) or Direct/Connecting (D/C). For those city-pairs that require a bid for Non-Stop service, the State has pre-populated the appropriate cells with “N/S”.

### **Column J - \_CACO Code**

The underscore space allows carriers to identify their own applicable yield management seating category. Therefore, bidders must populate with their specific code to identify the capacity controlled fare.

### **Column K - \_CACO Fare**

The city-pair fares are bi-directional one-way and round trip. For purposes of this bid, however, bidders shall insert the **one-way fare** for each city-pair on which they are bidding in this column.

### **Column L – N/S or D/C?**

For the \_CACO Fare bid in Column K, bidder shall indicate if the flight is Non-Stop (N/S) or Direct/Connecting (D/C). For those city-pairs that require a bid for Non-Stop service, the State has pre-populated the appropriate cells with “N/S”.

### **Column M – Composite Fare**

Based on the YCACO Fare provided by the bidder in Column H and the \_CACO Fare provided by the bidder in Column K, the State has preprogrammed Column M to automatically calculate the composite fare. Bidders shall not insert any information into this column.

## **Section V Evaluation**

For any city-pair bid, the bidder must bid on both the unrestricted and capacity controlled fares. In addition, the city-pairs bid must comply with all Circuitous Routing requirements. Certain city-pairs require that Non-Stop service must be provided. As such, only bidders who provide a bid for Non-Stop service for those city-pairs that require Non-Stop service will be considered for award for such city-pairs.

In considering any bid for a city-pair offered, the State will evaluate the composite fare based on the following formula:

### **Evaluation of Domestic City-Pair Bids:**

Composite Fare = .40 of unrestricted fare +  
.60 of capacity controlled

### **Evaluation of International City-Pair Bids:**

Composite Fare = .40 of unrestricted fare +  
.60 of capacity controlled

### **Determinant Factor**

Awards will be made on a "city-pair" by "city-pair" basis. The award for each city-pair will be made to the low responsive and responsible bidder. Low bid shall be determined by the composite fare bid for each city-pair.

**STATE OF COLORADO  
INVITATION FOR BID**

**DATE:** October 9, 2003

**BID NO:**IFB-AIRLINES-RS

**RETURN ALL BIDS TO:** State Purchasing Office  
225 E. 16th Ave., Suite 802  
Denver, CO 80203

**PURCHASING AGENT:** Robert Siefken

**BID SUBMISSION DEADLINE:** October 28, 2003  
1:00 PM

**BID OPENING DATE/TIME:** October 28, 2003  
1:00 PM

All Bids Shall be Quoted F.O.B. Destination unless Otherwise Specified

*AIRLINE TRAVEL PRICE AGREEMENTS*

Per the attached specifications, terms and conditions

F.E.I.N.:

DELIVERY DATE: \_\_\_\_\_

TERMS: US Bank VISA

SIGNATURE: \_\_\_\_\_

TYPED/PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

Please be advised that telegraphic or electronic bids (Fax, Western Union, Telex, etc.) cannot be accepted directly in the Purchasing Office as a sealed bid. Bidders are urged to read the bid thoroughly before submitting a bid.

The State respects the environment and desires to do business with vendors who share this concern. Accordingly, the vendor who is awarded this solicitation agrees that, wherever required, all reports, catalogs, correspondence, or other submittals will be made on recycled paper and with copying on both sides of the pages. (Recycled paper meaning not less than 50% of the total weight consisting of secondary and post-consumer waste, and not less than 10% total weight consisting of post-consumer waste.)

**IMPORTANT:** The following information must be on the outside of the Bid Return Envelope: **Bid Number -Opening Date and Time**

**Low Tie Bids:** Low tie bids shall be decided in accordance with the provision of C.R.S., Section 24-103-202.5, as it currently exists or is hereafter amended, which give a preference to resident bidders.

Any bidder who wishes to be considered a "resident bidder" for purposes of the tie bid procedure provided in C.R.S., Section 24-103-202.5 shall include with their bid proof that he/she meets the definition of resident bidder as set forth in either C.R.S., Section 24-103-101(6)(a) or C.R.S., Section 24-103-101(6)(b).

The bidder/offeror must expressly state that it will accept US Bank VISA for payment of any travel related purchase from this price agreement.

Pursuant to CRS 24-30-202.4 (as amended), the state controller may withhold debts owed to state agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, CRS; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the state or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

## Code Sharing Form

The bidder shall list below the names of all airlines providing service over any portion of a city-pair under a fare code sharing arrangement.

Carrier Name	Carrier Code
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## Definition of Fares Form

The bidder shall detail its fare definitions for both unrestricted and capacity controlled fares. A contact person is requested should the State seek clarification of these definitions. If definition of fares is different for some city-pairs, please make copies of this form for each set of city-pairs with corresponding definition of fares.

Carrier Name: \_\_\_\_\_

Definition of Unrestricted Fare for Fares Bid in Schedule of Items Column H:

Definition of Capacity Controlled Fares Bid in Schedule of Items Column K:

Unrestricted Fare Refund/Re-ticketing Policy for Fares Bid in Schedule of Items Column H:

Capacity Controlled Fare Refund/Reticketing Policy for Fares Bid in Schedule of Items Column K:

***Which city-pairs do the above Definition of Fares define?***

- All       Domestic Only       International Only       The Following Fares:

### **Applicable Dates of Travel Form**

The State requires that carriers allow a minimum applicable travel dates of at least thirty (30) days after the term of the price agreement for tickets purchased within the term of the contract, and more extended terms of availability are desirable. The State's travelers plan their trips well in advance, and an artificial limitation on travel dates hampers such planning and purchasing. The State will warrant that it will not make contract fares from any subsequent year's Invitation for Bid available to travelers or travel agencies prior to the termination of the current year's price agreement. The State suggests that ninety (90) days is a customer-friendly period, but recognizes carriers must assess their own system and service needs. Please choose one of the two options below:

\_\_\_\_\_ Agree only to required Contract Fare Applicability minimum extension of thirty (30) days after last day of contract date--travel must be completed by December 11, 2004 for first year of contract and subsequent thirty (30) day extensions for the second and/or third years of the contract if awarded.

\_\_\_\_\_ Contractor agrees to \_\_\_\_\_ days of travel after the last day of each year of the contract.

Carrier Name: \_\_\_\_\_

### **Extension of Price Agreements to Colorado Political Subdivisions Form**

The awarded contractors may make contract fares available to State of Colorado political subdivisions according to provisions of this Invitation for Bid and the Statewide Travel Management Program. In line with assisting political subdivisions, the Program offers political subdivisions established by the State of Colorado access to the Program and its benefits provided that any participating political subdivision enters the Program and follows its procedures and uses all

contracts relating to travel established by the State of Colorado Division of Purchasing and the Statewide Travel Management Program. The Program warrants excellent contract compliance and little or no contract abuse by any participating political subdivision owing to the long-standing and continuing training the Program provides its travel agencies and travel suppliers.

The following carrier agrees to the extension of any price agreements resulting from this Invitation for Bid to State of Colorado political subdivisions authorized by the Statewide Travel Management Program and certified by the Division of Local Government and the Division of Purchasing.

\_\_\_\_\_ Agree to Extension of Contract to Political Subdivisions

\_\_\_\_\_ Refuse Extension of Contract to Political Subdivisions

Carrier Name: \_\_\_\_\_

### **Paper Ticket Charges Form**

Indicate whether or not there are any paper ticket charges assessed for either Unrestricted or Capacity Controlled fares. If so, describe the circumstances (domestic flights, international flights, etc.) under which such charges are assessed. Also, indicate the specific dollar amount(s) of the paper ticket charge(s).

## **Business Practices Form**

The Contractor will provide to the State the same services provided to the general public in scheduled service subject to the rules and procedures published in the air carriers' tariffs on file with the Airline Tariff Publishing Company or contained in the Contractor's contract of carriage, a copy of which shall be provided to the Statewide Travel Management Program on request. If an airline does not conform to these business practices, the State requires the airline to provide below a description that demonstrates how its fares and regulations are made known to the industry, travelers and travel agencies in particular.

Please check one of the items below.

\_\_\_\_\_ Our airline conforms to the business practices described above.

\_\_\_\_\_ Our airline does not conform to the business practices above. We are providing below a description of how our fares and regulations are made known to the industry, travelers and travel agencies in particular.