

PURCHASING POLICY 36

DATE: Mar 17, 2011
TO: State Agencies Purchasers
FROM: Kent Allin, Director
SUBJECT: Purchasing Travel, Travel Services, Hotel Lodging and Rental Cars

POLICY OBJECTIVES

This policy establishes procedures, requirements, and responsibilities for the procurement of travel, travel services, hotel lodging, and car rentals by state agencies under the authority of Minn. Stat. § 16C. This policy addresses which travel services must be procured using the state contracts. The policy also establishes a mechanism for exceptions when the use of the state contract for travel services does not meet the business needs of a state agency.

BACKGROUND

Office of State Procurement (OSP), in partnership with other state agencies, has developed a new concept for a travel service contract, which has been awarded to one contract vendor under Contract Release T- 742(5). This travel services contract is broader in scope, includes more travel services, requires new ways of purchasing travel and features a web-based portal and payment system. The state contract provides full travel service support for such needs as multi-flights, athletics, student(s) abroad, group travel and international travel, along with the ability to meet the unique needs of the Department of Corrections for inmate travel.

POLICY

This policy applies to the acquisition of travel, travel services, hotel lodging, and rental cars by state agencies. State agencies are required to follow all laws, rules, policies and procedures, this policy, and all other policies governing travel and related services including but not limited to:

Minnesota Management and Budget (MMB) Travel Requirements

- If the travel is for international travel, the request to travel must be sent to MMB and approval must be received prior to making the travel arrangements. See the MMB

Employee Business/Travel Expenses Policy - Travel Expense Approval Required in Advance, at

https://mn.gov/admin/assets/Employee%20Business%20and%20Travel%20Expenses%20Reference%20Tool_tcm36-522396.pdf.

- Any accrual of rewards points, benefits, upgrades, coupons, tickets, free stays or other awards from state business travel is the property of the state and, if used, must be only for official state business in pursuit of the agency mission and the travel in support of that mission. Agencies must manage these programs independently according to statute and MMB policies.

Office of State Procurement (OSP) Purchasing Policies

- Purchasing Policy 33: Procuring Conferences, Meetings and Events, and Related Goods and Services, includes pertinent guidance for procuring conferences, meetings, and events and related travel and lodging, and must be adhered to when applicable.
- Purchasing Policy 23: ALP Policy and Procedure Overview, outlines the limits and authority of delegated ALP purchasers.
- Special accommodation may have to be made for individuals who are travelling. This may affect the cost of the travel.
- **The purchase of personal (non-state paid/non-authorized) travel products and services from the state contract/travel web portal (“web portal” on subsequent reference) is prohibited.**

State Agencies Travel Policy

OSP recommends that each agency develop and implement a travel policy specific to their agency that further establishes requirements and procedures for the acquisition of travel and lodging for agency personnel under the requirements of this state policy. Agency policies may be more restrictive, but may not be more permissive, and may not exceed the authority or limits of the state policy or reduce the requirements of this policy.

Agencies are responsible for deciding who may purchase travel. Authorized purchasers may be individuals who are assigned agency travel purchaser(s), the actual users of the travel, a combination of the two, or some other arrangement.

Cost Considerations for Acquisition

Purchases must be consistent with ensuring the best value for the state. Travel should be purchased at the best value that meets the business needs of the agency. Agencies may have to take into account the special accommodation required for a business traveler as well as the safety and security of the traveler. These factors may impact cost. Agencies should also consider location of the hotel, and/or the potential safety or security risks of the location of lodging relative to the location of the conference or meeting site.

Accessibility Standards and Capabilities

The contract vendor’s state web portal for travel services does not currently meet the requirements of the Minnesota Accessibility Standards. The state is currently working with the contract vendor to comply with Section 508. Until that time, travel research and travel purchasing for those who need an accessibility accommodation can be arranged by telephone with a contract vendor agent at the same cost as a web portal purchase. The agency buyer

must notify the contract vendor if they require the accessibility accommodation.

Airline Travel Purchases

Airfare purchases must provide the best value airfare that meets the agency's business needs. Agencies must utilize Contract Release T-742(5) for booking travel unless OSP grants an exception (see Exceptions to Travel Policy on Page 4).

Group Rates. The agency must evaluate a group rate if 10 or more individuals are traveling to the same location for the same reason or at the same approximate time. The travel services contract vendor can assist with establishing a group rate. Group rates must be given consideration because of their potential for cost savings to the state.

Payment. Agencies must pay for airline travel via a purchasing card or other payment card if allowed by agency policy when using the web portal.

Lodging Purchases

Lodging purchases must provide the best value that meets the agency's business needs. Agencies can work with the state travel service contract vendor to book lodging via the web portal.

Hotel lodging purchases must meet the guidelines in Purchasing Policy 33 of the ALP Manual when procuring lodging as part of a state-hosted event or meeting.

Payment. If allowed by the agency's policy, a purchasing card or payment card can be used to guarantee a reservation when using the web portal.

Rental Car Purchases

The web portal is available for procuring rental cars under two current state contracts. For rental cars for use within Minnesota, see Contract Release V-52(5).

All car rentals must be procured through the existing state contracts. An exception must be requested if the rental car contract is not utilized as required by the rental car contract releases. The agency must ensure in advance that the correct insurance is in place when selecting an alternate rental car company.

Payment. Car rental reservations require a purchasing card or payment card, if allowed by agency policy, to guarantee the reservation when using the web portal.

PROCEDURES

When using the travel services contract, state agencies are not required to prepare a Service Contract Certification form.

Prior to Purchasing Travel

State agencies must receive approval from Minnesota Management & Budget prior to the purchase of out-of-state or international travel services (See MMB Employee Business/Travel Expenses policy).

Agency Travel Administrator

State agencies must designate an agency travel administrator. Agencies must report the names of their travel administrators, along with contact information (address, phone, fax, e-mail) to the OSP State Travel Administrator. An agency may delegate travel administrator duties to multiple persons based on the agency's structure and business practices; however, agencies must report all travel administrators to the OSP State Travel Administrator. Agencies are also required to keep current the information they report to the OSP Travel Administrator.

Agency Responsibilities

Travel Administrator. The agency travel administrator has oversight and review responsibilities for travel purchasing. The duties of the agency travel administrator include:

- Administering this travel policy within the agency
- Creating account(s) and account access with the contract vendor to enable travel purchases via the web portal
- Training authorized users to ensure the proper use of travel services
- Monitoring website usage through contract vendor reports
- Monitoring agency travel through contract vendor reports to prevent fraud and ensure compliance with the travel policy by all users
- Reviewing travel purchases to ensure compliance with all laws, rules, policies and procedures
- Informing users about current contracts, provisions, and policies relating to travel purchases
- Reporting all travel fraud to the Office of the Legislative Auditor or ensuring its reporting
- Monitor reports to insure personal travel is not being done using the state contract.

State agencies have important review, encumbrance and payment responsibilities regarding travel. Each agency must work closely with their respective purchasing and accounts payable personnel to ensure proper encumbrances and payments are made when utilizing the Travel Service Program.

A review of travel charges shall ensure that:

- Authorized users are properly using the service for permissible travel purchases
- State and local sales taxes have been paid, when applicable
- Suspected fraudulent transactions are identified
- Travel expenses paid via the state purchasing card are not also submitted to be paid as an employee business expense on the SEMA4 Employee Expense Report.

Unauthorized Purchase. An agency that suspects an unauthorized purchase must investigate the transaction promptly to determine whether it is an incorrect amount or whether it is an unauthorized purchase. If it is determined that it is an incorrect amount, the agency must then resolve it with the contract vendor. If it is determined to be an unauthorized purchase, the agency must take appropriate actions prescribed by MMB policy and notify the Office of the Legislative Auditor, attention: Sonya Johnson or successor, as required by Minn. Stat. §609.456.

Fraud. Any attempt to defraud the state, whether by a state employee, non-state employee, a state contract vendor or consultant, must be reported to the Office of the Legislative Auditor, attention: Sonya Johnson or successor. The attempt does not have to be successful to be reported; the attempt itself must be reported as required by Minn. Stat. §609.456.

Supervisors Review. Supervisors are responsible for oversight and review of their employees' travel, travel arrangements and reimbursement for travel and business expenses. The supervisor is uniquely positioned and qualified to provide a quality assessment that the travel, expenses and lodging are supportive of the agency's mission.

Supervisors tasks:

- Review travel purchases monthly. Ensure that purchases:
 - are necessary business expenses that support the mission of the agency
 - have the necessary approvals for the travel
 - are not divided to avoid total cost considerations and solicitation requirements
 - utilize the state travel services contract when required
 - have original receipts to support the expense or approved documentation
 - have valid and appropriate funding
 - have not been submitted as an employee reimbursable expense when it was a purchase card transaction
 - are not fraudulent, and if discovered to be fraudulent, are reported to the OLA
- Devote extra scrutiny to purchases in which no original receipt is included and when the receipt is not itemized
- If applicable, reconcile the original itemized receipts to the completed employee business expense form to ensure agreement.

Exceptions to the Travel Policy

Exceptions to the requirements are:

- A declared emergency (see ALP Manual paragraph 1.6.1)
- A statutory exception (the agency must document the statutory citation in the request for exception) A legitimate Single Source (complete the Single Source Justification form and obtain proper signatures)
- An OSP-approved exception (see the instructions for OSP exceptions below)

OSP Level Exceptions.

One-time Exception. If the agency cannot meet its business travel needs through the use of the state travel service contract, contact the OSP State Travel Administrator for guidance on exploring potential solutions. If a solution that will meet the agency's business needs cannot be identified after exploring options from the contract vendor, the agency may request a one-time exception to this policy.

The request for exception must be based on the business needs that cannot be met under the contract with the contract vendor. The request must explain the unfulfilled need, justifying how it is mission critical, and requesting a specific means or mechanism in lieu of using the state contract and contract vendor.

For example: If a lower-cost airfare is found by the traveler or purchaser outside of the travel services contract, the agency must request an exception to this policy from the OSP State Travel Administrator.

A request for exception may be made to the OSP State Travel Administrator in an email or memo format addressing the requirements above.

Policy Exception (Long term). If the agency has a need to request a long-term exception to the state travel policy, the agency must complete a Request for Travel Exception Form (Attachment A to this policy) and submit it to the OSP State Travel Administrator.

Agency level exceptions. Certain unique exceptions can be granted by the specific agency's Agency Travel Administrator without submitting a request to OSP. This exception must be documented in writing, (an email message is acceptable) and a copy kept with the agency's purchasing/travel file. The exceptions are:

1. If a traveler needs special accommodation due to their documented medical or physical needs, the requirements to meet this special accommodation that are beyond this policy may be granted by the agency travel administrator.
2. If lodging is part of a non-state conference and lodging at an alternative site:
 - a. is not cost effective due to transportation costs to the conference site, or
 - b. if there are bona fide security issues with commuting to the conference, or
3. is logistically inconvenient and/or not reasonable.
If it is a State of Minnesota **sanctioned** conference and the total value of the conference _____ is under \$2,500.
4. If an agency requires non-state employee travel for state business, the agency is responsible for deciding how to procure the travel.
 - a. If the agency decides to reimburse the non-state person for their travel, the traveler may make their own travel arrangements.
 - b. If the agency decides to purchase the ticket for the non-state traveler, the agency must use the state travel contract.

The travel exception must be in writing, filed with the purchasing file, and must clearly state the reason(s) for granting the exception. Guidelines for an exception request are included in this policy as Attachment B.

Direct any questions regarding the Travel Service Contract, please call the OSP State Travel Administrator and the Contract Administrator at 651-201-3128.

References:

Minnesota Statute § 16A, 16B, 16C, 16E.03

Minnesota Accounting and Procurement System (MAPS) Point of Entry (POE)

Minnesota Management and Budget and Department of Administration Operating Policy and Procedure 3016.00, Credit Agreements – Purchasing Card and Fleet Card.

Minnesota Management and Budget Policies: Benefits Derived from Travel, Special Expenses, Travel Expense Approval Required in Advance, Selecting a Mode of Transportation.

OSP Purchasing Policy 33, Procuring Conferences, Meetings and Events, and Related Goods and Services OSP Purchasing Policy 23 ALP Policy and Procedure Overview

OSP Purchasing Policy 1b, Purchasing Card Use Policy 2.1

ATTACHMENT A

REQUEST FOR TRAVEL POLICY EXCEPTION FORM

This form may be used when an agency requests an exception to Travel Purchasing Policy 36. The request must be signed by the Agency Head or Agency Head Delegate, or the Agency Travel Coordinator. Travel policy exceptions must be approved by the Commissioner of Administration and/or the Commissioner of Minnesota Management and Budget (MMB) (when applicable) or their delegate(s).

Submit the completed form to: Office of State Procurement (OSP), Department of Administration, Room 112 Admin Building, 50 Sherburne Avenue, St. Paul, MN 55155. The signed form must be retained in the agency for audit purposes. For questions, contact the OSP State Travel Administrator, OSP, Department of Administration, at 651.201.3128.

DEPARTMENT NAME:		FISCAL YEAR (FY):
DIVISION NAME:		Point of Contact:
<input type="checkbox"/>	THIS REQUEST FOR EXCEPTION IS FOR THIS (THESE) TRAVELER(S) only: NAME(S): _____ --- OR---	
<input type="checkbox"/>	THIS REQUEST FOR EXCEPTION IS FOR THIS DEPARTMENT OR THIS (THESE) DIVISION(S) only: _____ and affects this number of travelers: _____	
DESCRIPTION OF EACH TYPE EXCEPTION REQUESTED: For <u>each</u> exception in this request, provide a detailed description, (the estimated number of trips in the FY), and the estimated amount that the exception adds to the cost of the travel (for the trip) (for the FY). Attach additional page(s) if necessary.		
Description of Exception Requested and provide Alternate Travel Process	Reason the Request is necessary for the business	Estimated Total Dollars the exception adds to the cost
IF THE EXCEPTION IS NOT GRANTED WHAT IS THE IMPACT ON THE BUSINESS? Explain what the negative impact will be without the exception. What alternatives are available if this request is not approved? Attach additional page(s) if necessary		
CERTIFICATIONS		
I certify that this request is for an essential exception to improve the mission or ensure its success.		

1. Agency Contact Person (Required):		
Agency Contact Person (print)	Phone Number	Fax Number Email
2. Agency Head or Agency Head Delegate Approval Signature (Required):		
Agency Head/Delegate (print)	Signature	Date
Agency Head/Delegate Title	Phone Number	Email
3. Department of Administration (MMD will forward to MMB if appropriate)		
Approvals Needed: <input type="checkbox"/> Admin <input type="checkbox"/> Minnesota Management and Budget		
<input type="checkbox"/> Materials Management Division Approved.		
Signature	Date	
Title	Email	Phone
<input type="checkbox"/> Not Approved. Reason: _____		

- Forward to Minnesota Management and Budget**
- Not applicable**

4. Minnesota Management and Budget, Financial Services Agency Head Delegate Signature (MMB will return to MMD Acquisition Manager/Assistant Director for distribution.)		
<input type="checkbox"/> Approved.		
Signature	Date	
Title	Email	Phone
<input type="checkbox"/> Not Approved. Reason: _____		

ATTACHMENT B

Guidelines for Exception Requests All requests for exceptions to policy must be in writing. Approved exceptions must be filed with the appropriate travel administrator and the purchasing file. Please be as specific as possible in your request and include:

- The exception you are seeking (for example, xxxx)
- The name and position of the person who will be traveling
- The name of the individual in your agency approving the travel and whether they support the request for exception
- Why the exception is necessary and is in the best interests of the state (for example, whether it saves time and/or money, is necessary to comply with a state or other requirement, etc.)
- Whether there will be an increased cost to the state and, if so, the justification for the increased cost and whether the individual who authorized the travel is aware of and in concurrence with the necessity of that additional cost.