



Working with Chauffeured Car Providers

Fuel surcharges on top of higher prices are the current norm.

DEMAND FOR CHAUFFEURED CARS IS BACK TO 2019 LEVELS, ACCORDING

to the National Limousine Association, but travel managers whose programs depends on such suppliers or ride-hailing providers should prepare for some sticker shock.

The average cost of rides across the industry is higher than it was pre-pandemic, according to the NLA, with rates up due to the increased cost of labor, lack of inventory and rising fuel prices.

Many suppliers have added fuel surcharges. Corporate ground transportation technology supplier HQ reported that four times more black-car rides in March had a fuel charge than in February, and prices with some fluctuation have remained high since.

Travel buyers can attempt to negotiate these surcharges in their contracts. HQ said some companies have added either a flat-rate per-ride surcharge that has averaged from \$2 to \$6, or a percentage agreement, averaging between 4 percent and 6 percent of a ride's base cost.

Also in March, ride-hail providers Uber and Lyft announced fuel surcharges of up to 55 cents per ride. The surcharges are supposed to be temporary, according to the companies.

Further, suppliers have increased pay and added other incentives to lure new and returning drivers back to work. Those costs generally have been passed onto riders. Still, 86 percent of NLA member respondents to a February survey said that they continued to experience challenges hiring new employees. Lyft CEO Logan Green, however, during a May earnings call, noted that total active drivers were up by more than 40 percent year over year, and new driver activations were up 70 percent for the same period.

Even with drivers returning, it might be more difficult to snag a ride—and they could cost more—at least for Uber, if travelers are heading to destinations outside of airports or city centers. The company plans to implement its “upfront fare,” which will allow drivers to see a customer's destination in advance of accepting a trip. Rides to “outskirts of a neighborhood” will be “priced up” so drivers know “exactly what they are accepting or not accepting,” Uber CEO Dara Khosrowshahi said during a May earnings call. — *Donna M. Airoidi*

I. GATHER DATA

A. Sources.

1. Car service companies should provide expense data for the prior year. Personal rides the company does not pay for boosts volume.
2. Corporate card data should be cross-referenced with the supplier data to show leakage. Card data provides car services charges via merchant codes, though some cards lump car services with rentals and taxis. Many car service companies have a parent company with a different name.

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 that travelers include supplier names. Expense reporting technology also should provide granular detail, such as pickup and dropoff info.
 5. Booking technology companies can provide competitive bidding data either through an RFI or an RFP.
 6. Combine meetings and transient data for negotiating leverage.
- B.** Gather information on overall use and frequent routes.
1. A typical trip contains, at minimum, four ground transportation opportunities: to and from the arrival airport and to and from the destination airport.
 2. Include frequent high-use destinations, your company's offices and international locations and frequented airports.
 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.
 7. Services like Wi-Fi, refreshments, vehicle types and C-suite needs.
 8. Historical reservation method by percentage: phone, supplier direct, online booking tool, dedicated phone number, dedicated email and bridge technology.
 9. Average cancellation time and charges incurred.

II. SET STRATEGY

- A.** Determine if you want a supplier whose drivers are employees or whose drivers are contractors.
- B.** An exclusive nationwide or global agreement with one supplier leaves no backup and could mean overpayment.
- C.** For a nationwide contract with a primary supplier, supplemented by agreements with local suppliers, ask how partners and affiliates are chosen, vetted and managed.
- D.** Agreements with two or more

suppliers in a particular market creates competition and provides alternative suppliers in the case of service issues.

- E.** An agreement with a third-party chauffeured distribution platform. Most black car providers have tech options, but ask if the platform can manage other suppliers.
- F.** A consultant can manage suppliers, accounting and reporting.

III. PREPARE AN RFP

Determine the level of chauffeured transport required. Keep the RFP simple to make analysis more efficient, and note that suppliers may not respond to RFPs focused heavily on rate. RFP samples can be obtained through travel management companies, consultants and industry associations. Allow time for suppliers to provide meaningful responses. Note deadlines. Consider including:

- A.** Key corporate locations, domestic versus international use, total spend on chauffeured services, transient versus meetings spend, event needs, number of rides and 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? Does it permit the affiliate to subcontract rides? Are standards for licensing, training, security, hygiene and drug testing consistent across all locations? Will the supplier share direct contact information for affiliates, franchisees and licensees? What percentage of trips will be serviced by affiliates, franchisees and company-owned suppliers?
 2. What is the supplier's resolution process for problems? What about its affiliates? Tell them your average response time requirement for resolutions and billing.
 3. Who is responsible for customer service?
- C.** Fleet information.
 1. What is the size of the active fleet and the breakdown of makes and models by average age and mileage? When does the supplier retire vehicles, and is this consistent across all locations? Request a current fleet report.
 2. How many vehicles does the supplier own, and how many do partners,

contractors and affiliates own?

3. Describe the company's maintenance program, including washings and frequency of inspections, and whether an audit of inspection reports is permitted.
 4. Do vehicles have GPS, emergency road service systems, video and hands-free communication?
 5. Do drivers use devices for tracking rides and validating tolls and locations?
 6. Are multiple types of vehicles available like economy class, business class, business van, SUV and luxury? Are hybrid or electric vehicles available? In what cities, makes and models?
 7. If the booked vehicle category is not available, can the renter upgrade at no charge?
 8. How and when does driver or dispatch communicate with the passenger? What is communicated: dispatch notification, car number, driver name, driver mobile number and driver arrived onsite?
- D.** Driver information.
1. Are background and security checks and drug and alcohol tests performed at hiring? How often are those tests performed? If the bid is global, how do these checks vary by region? Do they include fingerprinting?
 2. What are the driver training, sanitation and safety requirements? Does the supplier give chauffeurs a written test? Road test? Do chauffeurs participate in a certification program? Is the program administered by a third party? What other training do drivers receive?
 3. Does the company review licensing reports to assess violations? Are chauffeurs licensed under local jurisdictions?
 4. Are chauffeurs employees or independent contractors? Are independent contractors allowed to sublease their cars to others?
 5. Are chauffeurs allowed to work double shifts? What is the maximum time a driver works?
 6. Are chauffeurs required to be fluent in English or the language of the country where service is offered? Are some fluent in other languages?
 7. In how many reportable accidents were the supplier's chauffeurs involved last year?
 8. What is the average tenure of chauffeurs and the turnover rate?

9. Can a driver be removed from an account?
 10. Are chauffeurs required to have certain levels of experience?
 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. Does your company need to be listed as additional insured?
 3. Request copies of the supplier's insurance certification for automobiles, including owned, non-owned, and hired vehicles; commercial/general liability; statutory worker's compensation; and umbrella liability.
 4. What is the minimum insurance requirement for chauffeurs? Are they required to purchase it, and, if so, from the company's insurance firm?
- F.** Reservations.
1. What passenger data does the supplier maintain? How is personally identifiable information protected?
 2. Are reservations taken by phone, email, global distribution system, app and/or online? Can reservations be processed 24/7 through all channels?
 3. What percentage of reservations are booked online? What capabilities and advantages does the supplier's Web-based booking system provide over booking through a third party?
 4. What is the average call length? How quickly are calls from corporate clients answered?
 5. What is the average tenure of reservations staff? What types of training and quality monitoring are in effect?
 6. Does the supplier handle dispatches by voice or by computer? Are its computer systems integrated? Ask for information on the system.
 7. How are rides confirmed?
 8. Does the supplier monitor flight delays, cancellations and changes?
 9. Does the supplier store data like credit card information? Where? Is there backup? Does the supplier's network comply with the Payment Card Industry Data Security Standard?
 10. What is the cancellation process and minimum lead time to avoid charges? What is the minimum lead time for booking?



11. What languages can reservation staff use?
 12. 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, when the driver leaves the lot, or garage to garage?
 2. If a flat airport rate, is the amount the same for departures and arrivals? Does the hourly rate have an hourly minimum or maximum? What rate kicks in after the limit? How long do drivers hold for train station arrivals?
 3. Does the company charge other airport fees? What are the wait fees? Does it provide airport terminal meet-and-greet services, and is there a charge? How long do drivers hold for domestic versus international arrivals?
 4. Understand the 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. You should always have a Termination for Convenience clause.
 5. Are there any reservation-processing fees?
 6. Are there extra mileage charges, high tax rates or additional charges at overseas locations?
 7. Are there ASAP request fees?
 8. For how long are rates guaranteed? Many companies stipulate that rates must be guaranteed for 120 days and some say at least a year.
 9. Is there a rebate? If so, what is it?
 10. Are upgrades negotiable?
 11. How is gratuity handled? Do you want it included in the flat rates or for 18 to 20 percent to be tacked on at the end of the ride?
 12. Request a quote broken out with base rate, taxes, estimated tolls, fuel charges, administration fees, estimated parking fees, gratuities and other components. Are taxes included in rates, or are they additional? Are final rates provided at time of booking? Request rate sheets for your five to 20 to 100 top routes or cities. Tolls should be at toll-tag rates. Parking and tolls should be at cost, with no markup.
- H. Billing.**
1. How soon after a ride is completed is it billed? Is it electronic?
 2. With what software and in what formats is spending data transmitted?
 3. What reports are provided and in what format? How can 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 accepted? If so, which details are broken out on 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 the supplier provide meetings services? If so, does it assign onsite dispatchers? Is there a charge? Are any other services available like employee pooling and multi-city 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 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 monthly or quarterly records for all rides?
 5. Ask the supplier to sign a service-level agreement with clearly defined and measurable key performance indicators like airport pickup delays, incorrect billings, driver no-shows and tolls/parking/wait time overcharges. Tie them to financial penalties. Penalties could be per incident.
- 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.** Providers in recent years have added such offerings as Wi-Fi, satellite TV and radio and bulletproof exteriors. What is offered, and what comes standard? What charges are associated?
- 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 billing and problem-resolution.
- IV. EVALUATE & IMPLEMENT**
- Mind your company's service needs and budget limits. Weigh the value of a supplier: Some suppliers will negotiate discounts; others prefer to add services, like an account manager. The supplier should assist in implementation; the sales team should provide support.
- A.** Request a detailed implementation plan that identifies major tasks, dependencies and time frames required.
 - B.** Ask that any additional implementation costs be fully disclosed.
 - C.** Some providers have an implementation team. Determine responsibilities.
 - D.** How does the supplier promote traveler compliance with your program? ◀