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COMMERCIAL TRAVEL OFFICES:
LESSONS LEARNED
IN THE FIFTH U.S. ARMY REGION

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Executive Summary

COMMERCIAL TRAVEL OFFICES: LESSONS LEARNED IN THE FIFTH U.S. ARMY REGION

During the summer and fall of 1988, the Army's first competitively acquired travel services contractor, Ask Mr. Foster Travel, began providing official and unofficial travel support at 45 offices in the Fifth U.S. Army 8-state region. From the outset, Ask Mr. Foster Travel demonstrated that a commercial travel agency can provide responsive and effective travel services to the Army. That success, however, does not imply that the Fifth U.S. Army region should be the model for establishing commercial travel services in follow-on regions.

We found three areas in need of improvement:

- ***Transition Planning.*** At each of the 45 offices, the transition from 4 decades of Scheduled Airlines Traffic Offices' travel services support to Ask Mr. Foster Travel occurred over a weekend. Within that brief period, each facility was renovated, equipment and furnishings were installed, and active reservations were transferred from one agency to the other. Although no traveler failed to meet mission requirements during the changeover, numerous crises could have been avoided by better transition planning – explaining what needed to be accomplished, when, and by whom. We recommend the Department of the Army, working with both the incoming and outgoing travel services providers, formulate detailed plans for all future commercial travel office transitions and designate an Officer-in-Charge of the transition at each site.
- ***Program Management.*** In the Fifth U.S. Army region, because the Army directed its management attention mainly on contract award and administration, numerous travel decisions were made by Army personnel who were not travel specialists or by Ask Mr. Foster Travel representatives. In a previous LMI report, *Commercial Travel Offices: A Course of Action for the Army*, September 1988, we recommended that the Army establish a program manager to oversee its commercial travel services program. The experiences encountered in changing over to commercial travel services within the Fifth U.S. Army region have confirmed that recommendation.
- ***Financial Operations.*** Use of the Government charge system (currently Diners Club) to pay for official travel offers significant advantages to the Army, the traveler, and the travel agency. However, the Fifth U.S. Army

region is not realizing the benefits of using Diners Club. At many sites, the absence of standardized Army billing and reconciliation procedures has created confusion among the Army, Ask Mr. Foster Travel, and Diners Club. This confusion has resulted in duplication of effort, increased administrative workloads and, in some cases, late payment of bills. We recommend that the Army standardize its finance and accounting procedures for official travel, use the automated reconciliation capabilities of the contractor, and move toward electronic data interchange and electronic funds transfer for its official travel business.

We believe that by capitalizing on the lessons learned from the Fifth U.S. Army region transition and startup, the Army can lay the foundation for an effective and responsive worldwide travel services program.

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CHAPTER 1

INTRODUCTION

In a previous report on the Army's commercial travel services program,¹ we described Government and private-sector use of travel agencies, analyzed the Army's competitive acquisition of commercial travel services for the Fifth U.S. Army region, and recommended a strategy for future acquisitions of commercial travel services. During the preparation of that report, the Army was in the process of implementing, in the Fifth U.S. Army 8-state region, its first large-scale use of contract travel services.

This report, complementing our earlier report, addresses the lessons learned during the Fifth U.S. Army region transition from Scheduled Airlines Traffic Offices (SATO), under the management of SATO, Inc., to commercial travel offices operated by Ask Mr. Foster Travel. It also examines the early months of Ask Mr. Foster Travel's performance in meeting the Army's travel requirements. As might be expected with any first-time endeavor of such magnitude — 45 travel offices at 33 sites² with estimated annual airline ticket sales exceeding \$86 million — a variety of problems were experienced by both the Army and Ask Mr. Foster Travel. (See Appendix A for a complete listing of offices and sites.)

Chapter 2 presents our recommendations for correcting many of those problems; Chapter 3 discusses the transition and startup in more detail; Chapter 4 addresses the issue of regional size and provides specific suggestions for subdividing the remaining four CONUS Army regions; and Chapter 5 summarizes and interprets the results of an audit of Ask Mr. Foster Travel performance at nine offices within the Fifth U.S. Army region.

¹LMI Report AR804R1, *Commercial Travel Offices: A Course of Action for the Army*, Beyer, Alfred H., et al., Sep 1988.

²Throughout this report, we use the term "office" to denote an individual travel office providing either official travel services, leisure travel services, or both. We also use the term "site" to refer either to an Army installation or to other locations where the Army has established one or more travel offices.

Overall, we believe that the Army's commercial travel services program is a successful initiative. Ask Mr. Foster Travel has demonstrated that commercial travel agencies can provide the Army with responsive and effective travel services support. With some additional adjustments, the Army and the travel services industry can establish an even more productive partnership.

CHAPTER 2

RECOMMENDED ACTIONS

The Army's contract for commercial travel services within the Fifth U.S. Army region was, at the time of award, the largest ever granted to a single travel agency. The contract called for Ask Mr. Foster Travel to provide travel services at 43 offices serving 31 military sites in 8 states.¹ Ask Mr. Foster Travel began providing travel services at 16 of those offices in July 1988; all were operational by the end of October 1988.

As stated in the previous chapter, the transition to Ask Mr. Foster Travel and its initial operation of commercial travel offices were not problem free. However, all the major problems encountered during both the transition and operational phases are within the jurisdiction of the Army; they also are relatively easy to resolve. In the remainder of this chapter, we present our recommendations for avoiding these problems in the future.

TRANSITION PLANNING

In its zeal to comply with the congressional mandate to competitively acquire commercial travel services, the Army focused its management attention on the acquisition process — developing the request for proposals (RFP), evaluating the solicitations, and making the award. It devoted little attention to ensuring that the transition from SATO, Inc., to Ask Mr. Foster Travel would occur smoothly and would not degrade the service provided to the Army. The results are not unexpected.

At several sites, SATO, Inc., personnel were unaware they were required to transfer travel reservations to Ask Mr. Foster Travel. At others, they refused to

¹Two additional offices at new sites were opened following initial contract award, bringing the totals to 45 offices at 33 sites.

transfer the reservations or they made only Passenger Name Record (PNR)² numbers – not their contents – available. At still other sites, they transferred existing telephone numbers to their own newly established, off-site offices, thereby creating uncertainty about which organization was sanctioned to provide travel services.

Recommendation. Department of the Army include in all future contracts for commercial travel services clauses that specify the responsibilities of the contractor upon initiation of the contract and at termination, for whatever reason.

Such clauses should clearly state the type of support expected from the contractor during initial implementation and in the event the contract is terminated or expires. Contractor failure to uphold the provisions of the latter clause could be made grounds for exclusion from bidding on future Army travel services contracts.

The Army should negotiate a contract modification to the Ask Mr. Foster Travel contract within the Fifth U.S. Army region to add a similar termination clause.

Since the relationship of SATO, Inc., with the Army is not contractual, this recommendation will have no effect on existing operations outside the Fifth U.S. Army region. That situation must be redressed before the Army awards additional commercial travel services contracts.

Recommendation. Department of the Army expand the Memorandum of Understanding with SATO, Inc., to include a clause specifying the responsibilities of SATO, Inc., upon the conclusion of its support at Army sites.

If SATO, Inc., were to fail to comply with the provisions of the clause, it should be grounds for exclusion from bidding on future Army travel services contracts.

At several Fifth U.S. Army region sites, the Army failed to tell Ask Mr. Foster Travel whom to contact in order to modify facilities, install telephone lines, or even gain access to the site. At others, Ask Mr. Foster Travel was unfairly viewed by site personnel as having replaced long-term quasi-Government employees, as the members of the SATO, Inc., staff were often perceived. As a result, the new staff was

²Passenger Name Record is the term used by the travel industry for identification of a specific reservation and itinerary for a particular traveler on a single trip; it is created and stored in a central automated reservation system.

accorded little assistance. These communication failures and misunderstandings complicated and delayed the transition from SATO, Inc., to Ask Mr. Foster Travel.

Recommendation. Department of the Army designate an Officer-in-Charge of transition from one travel services provider to another at each site.

The duties of the Officer-in-Charge of transition should include (1) preparing, with the assistance of the incoming contractor, an implementation schedule; (2) assisting the incoming contractor to establish a fully capable travel agency with minimum delays; (3) ensuring cooperation between incoming and outgoing contractors; (4) ensuring a businesslike clearance and departure of the outgoing travel provider; (5) informing site personnel of the change in contractors as well as any changes in operation; and (6) monitoring the performance of the contractor during the transition period.

PROGRAM MANAGEMENT

During both the transition period and initial operation at the 45 offices, Ask Mr. Foster Travel personnel looked, appropriately, to the contracting officer (CO), the contracting officer's representatives (CORs), and the Installation Transportation Officers (ITOs) for guidance and direction. In many situations, however, those individuals were not capable of providing the needed guidance or direction. Many were unfamiliar with the provisions of the contract (which is not surprising since the contract exceeded 700 pages), were not sure of their responsibilities, or were inexperienced in travel matters. As a result, numerous travel issues were either left unresolved or were acted upon by Ask Mr. Foster Travel personnel who had little experience with Army travel procedures or policies.

Recommendation. Department of the Army, in conjunction with each contractor providing commercial travel services, prepare a synopsis of the governing contract, addressing the key aspects of that contract, for distribution to all COs, CORs, and ITOs, and appropriate contractor personnel throughout the applicable region.

Recommendation. Department of the Army clarify the specific responsibilities of COs, CORs, and ITOs in administering the provisions of future travel services contracts and ensure that appropriately trained individuals are assigned to those positions.

In our previous report on commercial travel services we recommended that the Army establish a program manager to oversee its travel services program. The

transition to Ask Mr. Foster Travel within the Fifth U.S. Army region confirmed both the validity of that recommendation and the need for the Army to act on it immediately. The Army should not turn the administration of its travel services program over to a contractor. Yet, that is essentially what happened in the Fifth U.S. Army region. We believe this is a mistake.

FINANCIAL OPERATIONS

In conjunction with contracting for its travel services, the Army expanded its use of agency accounts under the Government Travel System, currently a General Services Administration contract with Diners Club, for central billing and payment of official transportation fare charges. These accounts provide both the Army and the travel services contractor with various no-cost benefits, among which are increased cash float and reduced administration. (Diners Club pays the transportation carriers weekly, bills the Army agencies for travel charges monthly, and provides management reports.)

Despite these benefits, Army use of the centrally billed accounts has led to increased, rather than decreased, administrative requirements. The unnecessarily cumbersome and redundant reconciliation procedures imposed by separate travel services contractor, responsible ITO, and servicing Finance and Accounting Office (F&AO) reviews nullify the Diners Club system's streamlined reconciliation process.

Recommendation. Department of the Army develop standard finance and accounting procedures for processing official travel billings through the Government Travel System.

These procedures should use the automatic reconciliation capability inherent in those accounts, thereby eliminating duplicative and costly administrative procedures.

The Army's procedures for authorizing and paying for official travel are cumbersome and require extensive paperwork. At least six parties participate in each transaction:

- The ITO authorizes the travel and validates the bill.
- The commercial travel office arranges the travel and reconciles the bill.
- Commercial airlines provide the transportation services.

- The Settlement Bank — an agent of the Airline Reporting Corporation — aggregates the transportation costs and forwards the bills to Diners Club.
- Diners Club pays the airlines and submits their charges to the Army.
- The servicing F&AO pays the Diners Club bills.

Each participant receives, on paper, information from the others that is already resident in an automated system and then keys that same information into its automated system.

Recommendation. Department of the Army move toward the use of electronic data interchange and electronic funds transfer to conduct its official travel business.

CHAPTER 3

TRANSITION AND EARLY OPERATIONS

INTRODUCTION

The transition from SATO, Inc., to commercial travel offices operated by Ask Mr. Foster Travel and affiliated (subcontract) agencies was designed to occur over a weekend. The plan called for SATO, Inc., to book reservations through the close of business on Friday of the transition weekend and to issue tickets only for travel scheduled to begin before Wednesday of the following week. All other reservations (those calling for travel to begin on the following Wednesday or later) were to be provided to Ask Mr. Foster Travel in the form of PNRs for transfer into its computer reservation systems and subsequent ticketing.

At the close of business on the Friday of the transition weekend, SATO, Inc., was to vacate the premises and Ask Mr. Foster Travel was to begin the renovation and installation of furnishings and equipment. By the start of business on the following Monday, Ask Mr. Foster Travel was to have in place a fully operational travel agency ready to meet the Army's travel requirements.

Although ambitious, that plan worked reasonably well at many sites in the Fifth U.S. Army region. As expected, however, a variety of difficulties were encountered during both the transition and early months of Ask Mr. Foster Travel operations. In this chapter, we present an overview of those difficulties, with emphasis on the application of lessons learned during future changeovers to contract travel operations.

TRANSITION PLANNING/EXECUTION

Contract Transition Status

The Fifth U.S. Army region contract was the first regional travel services contract ever awarded by the Army to a commercial travel firm. As a consequence, much of the Army's attention was focused on the acquisition process — developing the RFP, soliciting and evaluating proposals, and devising and implementing a

source-selection process. The sites at which commercial travel offices were to be established simply provided facility and volume data for inclusion in the RFP. Almost 2 years elapsed between the submission of that data and the establishment of commercial travel offices, a period during which the sites received little information regarding what was taking place and what was to be expected of them. Not unexpectedly, rumors regarding job losses; transition schedules; status of SATO, Inc., employees; and other changes took root and spread.

To avoid such uncertainty in the future, the lead contracting activity for each regional contract should publish a monthly newsletter that reports on the status of the procurement effort and provides the transition plans for each of the sites to be included in the contract.

Data Collection

The early collection and dissemination of accurate travel, site, and facility data are essential not only for structuring the RFP and for developing contract terms, but also to ensure a successful transition and startup. Without detailed knowledge of the scope of the travel requirements and the facility and telecommunications capabilities available to support them, planning essentially occurs in a vacuum. Within the Fifth U.S. Army region, much of the travel, site, and facility data provided to Ask Mr. Foster Travel were incomplete.

We believe the Army should collect and document, as early as possible, comprehensive population data, official and leisure travel statistics, and facility information from all sites to be included in a commercial travel services contract and make that information available to all participating Army and contractor personnel.

Telecommunications Support

Because of the limited number of telephone lines and the prevalence of obsolete switching equipment at many sites, Ask Mr. Foster Travel encountered a variety of telecommunications problems. Among these were

- Too few on-site lines to accommodate the required number of telephones and computer terminals.
- Too many companies (some of which did not work weekends) involved in connecting travel office computers to the central airline reservation system. For example, the Army controls all lines on Fort Riley, Kansas; one company

controls the lines from Fort Riley to a local switching facility; another controls the lines within Kansas; and still another controls the interstate lines to the central reservation system.

- Telephone operators unfamiliar with SATO, Inc.'s, replacement and change in telephone numbers.
- Inability to call commercial travel offices (which were connected to a non-Army exchange) from telephones providing only on-site service.
- Ask Mr. Foster Travel representatives' reluctance to use costly "dial-up" connections to the central reservation system when dedicated lines experienced problems.

We believe that the Army needs to have a better understanding of the telecommunications environment at every site before it awards additional contracts for commercial travel services. Among the questions requiring answers are, Who are the providers of telecommunications services? What equipment is available? What restrictions apply? What are the requirements? Also, the incoming travel agency should have a representative present during all telephone, computer, and telecommunications facility work performed in support of its requirements.

Transition Schedule

The Fifth U.S. Army region experience revealed that commercial travel offices should not be activated during periods that overlap fiscal years. Efforts to deplete year-end travel funds and to apply travel dollars from an ending fiscal year to travel scheduled for commencement in a new fiscal year further complicate an already complex environment and impose unnecessary burdens on contractors.

Also, we believe that a minimum of 6 weeks should elapse between transition phases. The Fifth U.S. Army region contract was scheduled to be implemented in three phases, with approximately one-third of the 45 offices to be activated during each phase. (The starting dates of these phases were 18 July, 5 September, and 24 October 1988.) However, the Army modified that schedule to activate leisure (unofficial) travel offices at four large sites on 8 August.¹ The original schedule for the three phases gave both Ask Mr. Foster Travel and the Army adequate time to complete each phase and prepare for the next. The opening of these four leisure travel offices just a few weeks before the start of the second phase overextended both

¹The addition of this "mini-phase" was not part of the original transition plan.

Ask Mr. Foster Travel and the Army. The Army should avoid such scheduling conflicts in future transitions.

In addition to scheduling a minimum 6-week break between phases, the first phase should be limited to activating no more than five offices. That number will permit all parties to become familiar with the process and to identify and correct shortcomings in the transition procedures; each succeeding phase should include no more than 10 offices.

Office Changeover

In the Fifth U.S. Army region, four large sites with separate offices for official and leisure travel activated their leisure travel offices approximately 1 month in advance of the official travel offices. Those sites sought to capture the peak summer leisure travel market and the revenues that would accrue to their Morale, Welfare, and Recreation Accounts from the concession fees on such travel. The presence of two travel agencies at these four sites – SATO, Inc., for official travel and Ask Mr. Foster Travel for leisure travel – generated considerable confusion and inconvenience to users of those offices.

Future transitions from one travel provider to another should occur simultaneously for all travel services at a site. Also, all leisure travel and branch official travel offices of the outgoing travel agency should be closed 1 week before the transition and operations are consolidated at one main office at each site. Furthermore, those main offices should be reduced to a "bare bones" operation (i.e., no files, few desks, only critical furnishings) by the Wednesday evening preceding the transition weekend. The incoming travel agency could then renovate facilities and install equipment at all except the main office over a longer period. This consolidation should help reduce the confusion during what has proved to be a very busy weekend.

Personnel Training

Training was one of the keys to a smooth transition from offices staffed with SATO, Inc., employees to offices staffed with Ask Mr. Foster Travel employees. A few sites encountered substantially fewer problems than most of the others. For the most part, they were the sites having demonstrated the greatest diligence in training

Government employees on travel matters and contractor employees in Army and Government travel procedures.

This experience suggests that CORs, contract administrators, Army travel clerks, and quality assurance personnel should be trained before the commercial travel offices are opened. In addition, all except contract administration personnel should be trained to use the computer reservation systems planned for the commercial travel offices.

Also, all travel agency personnel, including subcontractors, should be well versed in Government travel terminology, documentation requirements, formats, and procedures. They should be conversant with Government contract airline, rental car, hotel/motel, bus, and rail rates; and should become familiar with other unique aspects of Government travel to be able to provide efficient and cost-effective travel.

Management

Several Fifth U.S. Army region sites assigned responsibility for planning and carrying out the transition to one individual designated as an Officer-in-Charge. The responsibilities of these Officers-in-Charge typically included ensuring the cooperation of SATO, Inc., through the transition period; assisting Ask Mr. Foster Travel to establish commercial travel offices; facilitating the flow of information; resolving problems; and acting as points of contact for visiting senior Army and Ask Mr. Foster Travel personnel. Some Officers-in-Charge established implementation committees comprised of representatives from contracting; facility engineering; finance and accounting; morale, welfare, and recreation; public information; and transportation to assist in accomplishing their responsibilities.

At sites having one individual in charge, the transitions were better organized and received wider support and the sites encountered fewer problems.

Transition Leverage

In addition to these transition procedures, it is essential the Army have available contractual leverage to ensure contractor compliance with ethical and functional transition requirements. This could be accomplished through a contractual clause (or an addendum to the SATO, Inc., Memorandum of Understanding) that specifies the travel services provider's responsibilities upon contract initiation and termination. It should specify the type of service, cooperation, and coordination

expected. The clause (or addendum) should be sufficiently strong to support disbarment from participation in future solicitations in the event of noncompliance.

Travel Reservations

In order to create a smooth transition from one travel provider to another, both parties need to agree to a set of rules to ensure that travel reservations are not lost during the transition and that travel requirements are fulfilled. The following conditions suggest that such rules either were not established or they were not followed in the Fifth U.S. Army region:

- Airlines were not notified that Ask Mr. Foster Travel was authorized to access the reservations made by SATO, Inc.
- PNRs were not released to Ask Mr. Foster Travel by SATO, Inc.
- PNRs were transferred with only identification numbers, not the contents.
- PNRs were canceled rather than transferred to Ask Mr. Foster Travel.
- PNRs that had already been ticketed were transferred.
- Awkward and time-consuming procedures were required for exchange or return of SATO, Inc.-issued tickets.

It is clear that ITOs and their staffs need to monitor the status of all PNRs that could be processed by both the incoming and outgoing travel providers; they cannot assume that the travel providers will coordinate their activities. To aid in reducing the potential number of conflicts between the incoming and outgoing travel providers, the Army should permit the outgoing agency to ticket all reservations for travel scheduled to begin anytime during the week following the transition, rather than for just the Monday and Tuesday as was the case in the Fifth U.S. Army region.

SATO, Inc., Actions

The senior management of SATO, Inc., made commitments to provide quality service and responsive support until the last SATO, Inc., office in the Fifth U.S. Army region was closed. In most cases, those commitments were honored by many employees who, despite facing job terminations or changes, continued to provide quality travel services support. At several sites, however, transitions were marred by individual acts of omission and half-hearted compliance. These are detailed below

solely to alert the Department of the Army to conditions it may encounter in future commercial travel office contracting.

- Ask Mr. Foster Travel personnel were denied access to several travel offices during normal working hours until SATO, Inc., shut down operations at the close of business on Friday of the transition weekend. This denial of access before the transition caused transition schedules to slip. Incoming contractor personnel should be ensured early access to all Army travel offices.
- SATO, Inc., equipment and furnishings were not removed expeditiously from some offices following shutdown of operations. Since many travel offices operate in cramped facilities, any excess equipment and furnishings place an unneeded burden on Ask Mr. Foster Travel personnel. Future transition plans should require the prompt removal of all such items.
- At several sites, SATO, Inc., transferred its telephone numbers to newly established off-site offices, creating considerable confusion when customers called. Many of those customers, unfamiliar with the changeover in travel services, attempted to continue conducting business with the SATO, Inc., representatives who answered the telephone. This type of confusion should not occur; the telephone numbers of the outgoing travel agency should be reserved for the incoming travel agency, and the changeover should be given extensive publicity in local newspapers and in site bulletins and flyers.
- Because SATO, Inc., personnel removed Government-furnished travel publications, such as manuals, regulations, and pamphlets, from several Fifth U.S. Army region offices, Ask Mr. Foster Travel personnel had difficulty carrying out their responsibilities.
- At some sites, SATO, Inc., purchased advertisements in local newspapers implying that it was continuing an official arrangement with the Army but from new, off-site locations. For many Army travelers, the changeover was confusing enough; those advertisements increased the confusion.

These lessons make a very clear point: The Army needs to assume a much stronger and more active management role during the transition period. It also needs to ensure that the outgoing provider of travel services cooperates with the incoming travel agency, provides early and open access to its facilities, and takes immediate steps to halt any instances of unethical actions that can adversely affect provision of travel services to the Army.

EARLY OPERATIONS

Once in operation, Ask Mr. Foster Travel began to focus on development of an operational routine geared to providing high quality travel services. In the balance of this chapter, we present a number of observations on those early operations, beginning with the Army, continuing with Ask Mr. Foster Travel, and concluding with several related issues.

Army

Introduction

Although the Army's first travel services contracting effort was highly creditable, a number of shortcomings attributable to its role surfaced during the first few months of Ask Mr. Foster Travel operations. Those shortcomings, discussed below, can be reduced or eliminated by applying a variety of policy and procedural improvements that will streamline its vital oversight and travel program management roles.

Quality Assurance²

The Army is responsible for ensuring that the contractor provides convenient, responsive, low-cost travel services. Unfortunately, we found that the performance of this vital function was relatively weak during the early months of Ask Mr. Foster Travel operations.

Many CORs, or the transportation staffs designated to perform the quality assurance function for the CORs, concentrated on performing administrative checks of the PNRs created by Ask Mr. Foster Travel. Those checks consisted primarily of validating the traveler's name and other pertinent personal information and entering fund citation information. In many instances, however, even rudimentary administrative checks were not made.

An important element of any travel quality assurance program consists of verifying that the agents select the lowest possible fares consistent with mission requirements and ensuring that all aspects of each reservation are in compliance

²Quality assurance refers to Army review of contractor operations; quality control, used later, refers to the contractor's internal control and review processes.

with contractual provisions. These checks were not performed at many Fifth U.S. Army region sites.

In view of the importance of an effective fare-based Army quality assurance program, we believe the Army needs to place more emphasis on training, before contract initiation, for all individuals who are expected to perform quality assurance. Such training should encompass the purpose of the quality assurance program and the responsibilities of the individuals designated to conduct the program. It also should include familiarization with the computer reservation systems used by the contractor, airline fare structuring, Army policy on the use of discounted and restricted fares, and Government contract (city-pair) fares.

Travel Services Standardization

The transition from SATO, Inc., to Ask Mr. Foster Travel was not a simple exchange of one travel services contractor for another. During the Army's 40-year relationship with SATO, Inc., each travel office evolved differently, in large measure influenced by the views of the transportation personnel at the site. At some sites, SATO, Inc., provided the full range of services a travel agency typically provides to individuals or corporate clients; at other sites, SATO, Inc., simply issued tickets for reservations made by Army personnel. Operations at many of the sites in the Fifth U.S. Army region fell somewhere between these two extremes. In addition to these differences between the sites, the Fifth U.S. Army region combined, under one contract, numerous types of travel environments including bases with large resident and/or transient trainee populations, enlistment centers, and state Army National Guard headquarters.

A major objective of the Army's commercial travel services program, and one of the main reasons for awarding regional contracts, is to standardize the travel services provided to the Army. To achieve that objective, we believe the Army needs to specify the role of transportation offices in the provision of travel services, to develop standard operating procedures in order to meet official travel requirements, and to prescribe the operating policies and procedures for all commercial travel offices. Without these improvements, the Army relinquishes control of its travel program to the contractor.

Contract Administration/Oversight

In our previous report, we discussed in detail the requirements for Army oversight of its commercial travel services program. We emphasized the establishment of an office to oversee the program and the creation of a travel management infrastructure. After several months of Ask Mr. Foster Travel operations, our views have been re-enforced.

Following award of the Fifth U.S. Army region travel services contract in March 1988, each of the sites developed its own administration and oversight procedures within the general guidelines provided by the CO. Many of the problems noted during the Fifth U.S. Army region's early months of contract travel operations are directly attributable to shortcomings in those procedures. For future travel services contracts, the Army should formulate a comprehensive, standardized contract administration plan; develop a multilevel administration and oversight infrastructure combining expertise in travel management with an understanding of contracting procedures; and train all members of that infrastructure before contract initiation.

Contract Summary

The Army's 700-page contract with Ask Mr. Foster Travel is comprised of the RFP, with amendments; Ask Mr. Foster Travel's technical proposal; transcripts of written and oral discussions; and Ask Mr. Foster Travel's best and final offer. Because of the length and complexity of the contract, few if any CORs are familiar with its contents and provisions. The same observation is true for many of the Ask Mr. Foster Travel office managers, some of whom did not initially have a copy, or even excerpts, of the contract.

To ensure that Army and agency office managers are familiar with the most important contractual provisions and requirements, we believe the Army should prepare a summary of the contract, agreed to by both the Army and the commercial travel contractor, which includes key contract provisions with appropriate references to their sources in the contract. This summary should be made available to all Army travel supervisors and all agency management personnel.

Financial Operations

In our previous report, we stated that the use of the Diners Club as the Government charge system to pay for official travel is beneficial to the Army as well as the traveler. It provides both with significant benefits at no cost.

Despite the advantages of Diners Club, it has not been employed as expected by all Fifth U.S. Army region sites, nor have the conveniences of the automation it offers been fully used by those who do participate. An example is the reconciliation of Diners Club bills by ITOs.

A billing cycle is initiated when Diners Club forwards an original bill to an ITO and an electronic copy on magnetic tape to Ask Mr. Foster Travel. Upon receipt of the bill by the ITO, the Government has 30 days to make payment. Ask Mr. Foster Travel performs an automated reconciliation of each bill and then forwards the reconciled bill to the ITO. Upon receipt of that bill, the ITO should simply verify that the travel billed was authorized to be ticketed by the travel agency. However, many of the ITOs also verify the finance data, travel orders, and other administrative items. Furthermore, local F&AOs verify and reconcile much of the same data.

The verification and reconciliation procedures being used by most ITOs and F&AOs, in the absence of formal Army policy, have increased their workloads, not decreased them as promised. As a result, payments to Diners Club have frequently been delayed far beyond the permissible 30-day period.

To relieve many of the Government charge system-related problems, we believe the Army should do the following:

- Require all Army sites covered by a travel services contract to use the Diners Club charge system
- Publish policy and procedures for reconciling Diners Club bills
- Prescribe standard finance and accounting procedures for payment of Diners Club bills, with the goal of eventually using electronic data interchange and electronic funds transfer for travel accounts
- Establish specific time intervals for travel agency, ITO, and F&AO review, reconciliation, and payment of Diners Club bills to ensure payment within the required 30-day period.

Restricted Fares

The absence of a clear, standard Army policy on the use of reduced (discounted, restricted, or penalty) fares for official travel has resulted in higher than necessary travel costs. In fact, some Ask Mr. Foster Travel offices have been instructed by ITOs to not accept any restrictions, even those related to advance reservations and/or ticketing. If fares lower than the Government-negotiated contract fare are available, the Army should make it clear to commercial travel offices they have authority to book such fares, providing official travel needs are met and there is little if any risk of penalty to the Government.

Ask Mr. Foster Travel

Introduction

The Army's decision to select Ask Mr. Foster Travel as its first contract travel services provider was a good one, as indicated by the dedication, enthusiasm, and commitment exhibited by the Ask Mr. Foster Travel team — top management, office managers, and individual agents. In addition, most of the Ask Mr. Foster Travel offices saw the benefits of substantial capital investments: renovation, new furnishings and equipment, and uniforms for agents and office managers.

During its first few months of operation within the Fifth U.S. Army region, Ask Mr. Foster Travel solicited responses, through the use of comment cards (Figure 3-1), from all customers at the time of ticketing. Although the number of cards returned averaged less than 1 percent during the first 4 months of operation, virtually all those who responded were satisfied with the courtesy of the travel agents serving them, and more than three of every four expressed satisfaction with their rental car and hotel bookings (as shown in Table 3-1). Most of the negative responses were attributable to circumstances beyond the control of Ask Mr. Foster Travel, such as canceled or delayed flights, nonavailability of the type seating desired, or dissatisfaction with the rental car.³

As one would expect, however, Ask Mr. Foster Travel did not accomplish all tasks equally well, nor did it apply equal degrees of planning and execution to each.

³Ask Mr. Foster Travel sends a letter to every individual who submits a negative comment and forwards the information regarding the complaint to the manager of the office that made the reservation or issued the ticket.

HOW DO WE RATE WITH YOU?

Ask Mr. Foster's goal is to provide you with the highest quality of service.

Please answer the questions below to help us to evaluate and maintain our high standards.

	Yes	No		Yes	No
Was the telephone answered promptly?	☐	☐	Courteously?	☐	☐
Were your Flight arrangements satisfactory?	☐	☐		Yes	No
Were your Hotel reservations satisfactory?	☐	☐	Did the Agent provide accurate information?	☐	☐
Were your Car reservations satisfactory?	☐	☐	Did you receive prompt service?	☐	☐
Did the service provided by our 800 number meet your needs?	☐	☐			

If you answered any of the above questions with No, please explain:

Any other comments:

Are you interested in vacation information? Destination _____

NAME _____

ADDRESS _____ CITY _____ STATE _____ ZIP _____

DATE OF TRAVEL _____ PHONE _____ ASK MR. FOSTER BRANCH OFFICE _____

Installation Number _____ 4020

FIG. 3-1. ASK MR. FOSTER TRAVEL'S CUSTOMER COMMENT CARD

TABLE 3-1

SUMMARY OF CUSTOMER COMMENT CARDS

Evaluation element	Percent of positive responses
Satisfaction with the:	
• Promptness with which the telephone was answered	94.1
• Flight arrangements	87.6
• Hotel reservations	79.6
• Car reservations	76.7
• Courtesy of the agent answering the telephone	97.0
• Accuracy of the information provided by the agent	89.5
• Promptness of the service received	93.9
• Service provided by the toll-free "800" number	87.4

Our assessment of Ask Mr. Foster Travel's early months of operation highlighted three areas — subcontractor performance, personnel training, and quality control — that could have benefited from additional emphasis and that will require increased attention from travel agencies winning future Army travel services contracts.

Subcontractor Performance

It is Army policy that all major contracts include substantial subcontracting to small and small/disadvantaged businesses whenever possible. The responsibility for the performance of subcontractors rests with the prime contractor, in this case, Ask Mr. Foster Travel. The selection, training, and supervision of subcontractors are largely outside the purview of the Army.

Ask Mr. Foster Travel corporate policy requires that all subcontractors be "associates" of the firm. In the Fifth U.S. Army region, associate agencies operate 18 of the 45 Ask Mr. Foster Travel offices (see Appendix A, Table A-1).

Initially, the quality of the associate agencies selected by Ask Mr. Foster Travel as subcontractors in the Fifth U.S. Army region appeared to be high. As operations matured, however, distinctions began to appear in the degree of knowledge and the extent of training and supervision of the associate agencies. We found that some subcontractors were not familiar with Army travel procedures, fares, documentation, and terminology. Also, they were not as well trained or as experienced as the typical Ask Mr. Foster Travel employee.

We believe that commercial travel agencies must provide their subcontractors the same degree of attention and training as they give their own employees. At a minimum, they need to ensure that the individuals representing them are knowledgeable, competent, and courteous at all times.

Personnel Training

Few commercial travel agents have ever handled Government travel. Because Government fare structures are both unique and confusing, travel agents require considerable training and "hands-on" orientation. An independent audit of Ask Mr. Foster Travel's performance shows that it is easy to make mistakes. (See Chapter 5 for more detail.)

Ideally, travel agents unfamiliar with Government travel should be given formal instruction and on-the-job training in an operating environment. In the Fifth U.S. Army region, most of the Ask Mr. Foster Travel employees received hands-on experience during the first few busy days of operation. We suggest that in future commercial travel services contracting, the Army review closely the contractor's training plan and assist in its implementation. If possible, travel agents scheduled for assignment to offices opening in the second and later phases should spend some time training at offices opened in earlier phases.

Quality Control

Ask Mr. Foster Travel's quality control procedures are key elements of its support to the Army. To ensure quality, each itinerary should be checked for accuracy several times: immediately following the reservation, before ticketing, and before departure if significant time elapses between these events. At many offices, quality control was not performed during the first few days of operation because the agents assigned to quality control were reassigned to direct customer support. Unfortunately, this was also the time when most errors occurred. Furthermore, several subcontractors were unaware of the requirement to provide independent quality control.

Even after operation had been underway for a period of time, normal quality control procedures often proved ineffective at detecting mistakes in routing or fare selection. We can only conclude that quality control was aimed mostly at correcting administrative mistakes: the itineraries arranged by the travel agents were accepted without complete review. The results of the independent audit presented in Chapter 5 provide testimony to the need for dedicated management attention to this critical function. Without trained and knowledgeable travel agents, supported by equally competent quality control personnel, the Army travel program is bound to suffer.

Related Issues

The Army also should address a number of miscellaneous items before it awards the next commercial travel services contract. We present these items below.

Agency Reciprocity

Travel agency reciprocity — the ability to make a reservation with one travel agency and to purchase and obtain the ticket for that reservation from another agency — does not currently exist. This situation will continue to present problems when multiple commercial agencies service Army needs on a regional basis, just as it caused problems between Ask Mr. Foster Travel and SATO, Inc. We believe that the Army and the Military Traffic Management Command should negotiate now with the airlines for initiation of widespread agency reciprocity.

Government Input to PNRs

Throughout the Fifth U.S. Army region, Army personnel routinely entered fund citations and other information into PNRs created by Ask Mr. Foster Travel agents. This practice should be discontinued because Army personnel are performing a portion of Ask Mr. Foster Travel's workload. We believe that the travel agents should build complete PNRs and that Army personnel should verify the data in those PNRs as part of quality assurance.

Travel Contracting Policy

During Ask Mr. Foster Travel's early months of operation, a variety of unusual or unanticipated situations arose. Such situations can be expected to arise during future contracting efforts. We believe the Army should formulate positions on each before its next solicitation for commercial travel services.

- What is Army policy regarding non-Army tenants on an Army site? Are they required to use the commercial travel office? What if a tenant is supported by its own travel office? What if a tenant refuses to cooperate? Are tenants entitled to a concession fee? For official travel? For unofficial travel? What if a tenant orders tickets from an off-site agency?
- What is Army policy regarding non-Army activities (such as the U.S. Coast Guard in St. Louis, Missouri) that have branch offices of an Army-sponsored main travel office? Are those activities included in the contract data? What if they decline to participate? Can non-Army activities be required to comply with the contract?
- What is the policy governing the operation of Army commercial travel offices in office buildings shared by several Federal Agencies? Can those agencies use the commercial travel offices? Should sales to those agencies be included in the contract data? Who receives the concession fees generated by

their business? If the Army doesn't receive concession fees from these agencies, should it receive other forms of compensation? What if the business generated by the other agencies requires additional office space? Who supervises the travel operations for those agencies? What if the building manager, the General Services Administration, has a contract travel agency office in the same building or immediate area? Can the commercial travel office serve commercial clients from that office by phone and ticket delivery?

- What is the policy regarding Army activities who are tenants on a non-Army site? Should they use that site's travel office? Should the Army receive concession fees for its portion of the travel volume?
- What is Army policy governing travel office branches outside a regional boundary (e.g., East St. Louis, Illinois)?
- What is Army policy regarding the relationship between transportation offices operated by contractors (such as exists at the U.S. Army Aviation Systems Command, St. Louis, Missouri) and a commercial travel services contractor?

Each of these situations either has been or will be encountered. The Army needs to formulate its policy positions now to avoid problems in the future.

CHAPTER 4

REGIONAL SIZING

INTRODUCTION

From the start, the Fifth U.S. Army region transition from SATO, Inc., to Ask Mr. Foster Travel posed a formidable challenge. For the management team assembled by Ask Mr. Foster Travel to oversee the Fifth U.S. Army region contract, the transition period was particularly demanding because it opened 43 offices at 31 sites throughout 8 states in a period of 99 days between 18 July and 24 October 1988.¹ That equated to opening one office every 2.3 days.

In our September 1988 report, we stressed that contracting on a regional basis was the best option for the Army, but that reducing the size of the established CONUS Army regions would most likely need to be considered.² Now that the Fifth U.S. Army region implementation has been completed, the effect of its size on the transition and operation of commercial travel offices can be addressed.

CONSIDERATIONS IN REGIONAL SIZING

When the Army formulated its regional strategy for competitive acquisition of official and unofficial travel services in 1986, it settled on regions delineated by the geographic boundaries of the numbered continental armies. That decision was made in the belief that regional contracting offered the most cost, management, and emergency response benefits to the Army. In addition, the boundaries of the First, Second, Fourth, Fifth, and Sixth U.S. Army were widely recognized within the Defense community.

¹Two additional offices at new sites were opened following initial contract award, bringing the totals to 45 offices at 33 sites.

²In that report, we wrote on page 6-2: "Such downsizing will accommodate both the Army's current lack of a travel services management infrastructure and the industry's concerns about its ability to expand quickly enough to undertake very large contracts such as those represented by some of the Army regions."

What could not be foreseen at the time, however, was the full effect on a commercial travel agency of a single contract generating in excess of \$86 million in annual revenues. The Fifth U.S. Army region contract award was equal in revenue, number of offices, and geographic dispersion to the largest corporate accounts serviced by the mega-agencies of the travel industry. Even an industry giant like Ask Mr. Foster Travel had to struggle to meet the contract implementation schedule.

Ask Mr. Foster Travel's experience in the Fifth U.S. Army region showed that five factors should be considered in establishing regional boundaries. In decreasing order of importance, these factors are:

- The number of sites at which travel offices will be located
- The number of travel offices to be operated
- The geographic dispersion of the sites
- The anticipated total annual revenue
- The familiarity of all concerned with the established boundaries.

The first three factors dictate the extent to which the travel agency will be able to manage the transition from the existing travel services provider and its operations thereafter.

The fourth factor, travel revenue, is significant during transition and startup because it determines the staffing that will be needed during those early phases; once operational, however, staff can more readily be added or deleted as workload fluctuates.

The fifth factor, recognizable regional boundaries, simplifies contract administration and management, particularly when servicing travelers from outside the designated region. It also provides a frame of reference for all participants in the operation and oversight of the contracted travel services.

FUTURE REGIONAL DESIGNATIONS

We still believe that the Army should continue with a sequential, rather than concurrent, approach to acquiring commercial travel services. In doing so, however,

the Army should consider dividing the remaining four CONUS regions – the First, Second, Fourth, and Sixth – into subregions for these reasons:

- The experience with the Fifth U.S. Army region transition and startup
- The Ask Mr. Foster Travel experience with establishing, refurbishing, equipping, furnishing, and staffing the Fifth U.S. Army region offices
- The concerns of the travel agency industry about being able to expand quickly enough to accommodate contracts at more than 20 sites with over \$50 million in annual revenue.³

Table 4-1 shows how the five CONUS Army regions meet the last criterion. Note that even the smallest region, the Fourth, exceeds the suggested maximum number of sites.

TABLE 4-1
CONUS ARMY REGION SIZE AND REVENUE

Region	Number of states	Approximate number of sites	Approximate annual revenue ^a (\$ millions)
1st U.S. Army	13	55	120
2nd U.S. Army	8	33	98
4th U.S. Army	7	31	46
5th U.S. Army	8	33 ^b	86
6th U.S. Army	12	45	47

^a As reported by SATO, Inc., includes both official and unofficial travel.

^b Actual number of sites at which Ask Mr. Foster Travel has opened offices.

Because of these factors, we believe that the Army should divide each of the remaining four CONUS regions as detailed in Table 4-2 and shown in Figure 4-1. The number of sites presented in the table are the expected number that would be specified in future RFPs for the regions.

³See page 6-2 of our September 1988 report.

TABLE 4-2
PROPOSED SUBREGION COMPOSITION

Subregion	Region							
	First		Second		Fourth		Sixth	
	State	Sites	State	Sites	State	Sites	State	Sites
1	Washington, D.C. (excluding Northern Virginia)	2	Alabama	6	Indiana	7	California	17
			Kentucky	4	Iowa	2		
			Mississippi	1	Michigan	3		
			North Carolina	4	Ohio	5		
			South Carolina	3				
			Tennessee	1				
Total		2		19		17		17
2	Connecticut	1	Florida	2	Illinois ^a	8	Arizona	4
	Maine	1	Georgia	10	Minnesota	3	Colorado	6
	Massachusetts	5	Puerto Rico	2	Wisconsin	3	Nevada	2
	New Hampshire	1					Utah	4
	New York (less New York City)	6						
	Rhode Island	1						
	Vermont	1						
Total		16		14		14		16
3	New Jersey	6					Idaho	1
	New York City	2					Montana	2
	Pennsylvania	10					North Dakota	1
							Oregon	3
							South Dakota	1
							Washington	3
							Wyoming	1
Total		18						12
4	Delaware	1						
	Maryland	5						
	Virginia	12						
	West Virginia	1						
Total		19						

^a Less East St. Louis, which serves as the location of the St. Louis Area Support Center and should be added to the Fifth U.S. Army region

Offerors responding to each regional RFP should be permitted to bid on any or all of the designated subregions, with selection of the successful offeror(s) based on the combination most advantageous to the Army from the standpoint of the established selection criteria.

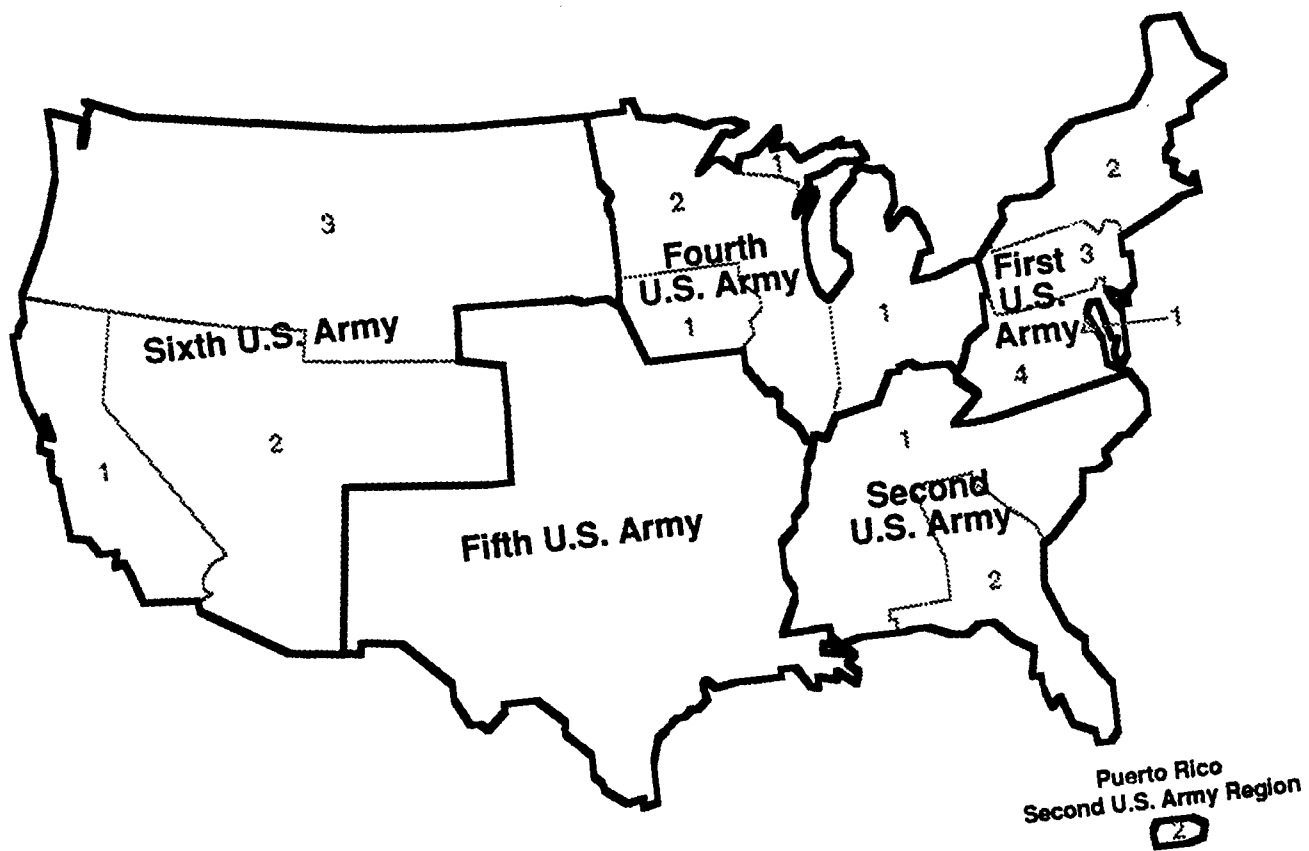


FIG. 4-1. CONUS ARMY REGIONS AND SUBREGIONS

CHAPTER 5

AUDIT RESULTS

INTRODUCTION

Several weeks after all 45 commercial travel offices in the Fifth U.S. Army region were operational, we engaged the travel audit firm of A. Jenkins & Associates, Mountain View, California, to audit the performance of Ask Mr. Foster Travel at several offices. The audit was carried out with the full cooperation of Ask Mr. Foster Travel during two periods: 17 November – 24 December 1988, and 16 – 31 January 1989. A total of 7,245 official travel records at 9 offices were audited during those 2 periods. (Appendix B identifies the offices that were audited and the computer reservation system in use at each.) No unofficial travel records were audited.

METHODOLOGY

The nine offices used either American Airlines' SABRE computer reservation system or Trans World Airways' PARS system. For those offices with the SABRE system, the automatic queuing capability of that system was used to provide the travel records to the auditor. At offices with the PARS system, Ask Mr. Foster Travel personnel manually made the records available to the auditor within 1 hour of booking.

All records were audited within 2 hours after the reservation had been made to ensure consistency between the time of reservation and the time it was audited. If an error, such as not using the lowest available air fare, was found, the record was rechecked after travel was scheduled to begin to see if the agency/Army quality review procedures detected and corrected the error. Each flight segment on a trip was audited individually. The audit did not take returned or refunded tickets into account because that information was not made available to the auditor.

In carrying out the audit, A. Jenkins & Associates assessed whether Ask Mr. Foster Travel offered to the Army traveler the lowest contract coach fare or

noncontract coach fare (provided the noncontract fare did not have a cancellation penalty) if one existed, subject to the following conditions:

- Alternative flights arrive and depart within 1 hour of requested times.
- Alternative flights have a maximum of one stop or connection.
- Alternative flights offer a minimum savings of \$20.00 one way.
- Alternative airports are excluded.

A. Jenkins & Associates also checked whether Ask Mr. Foster Travel placed travelers on a waitlist in order to obtain lower fares, calculated fares correctly, and protected advance purchase fares.¹

The findings of the auditor were not made available to the travel agents making the reservations. They were withheld because the audit sought to identify the corrective actions that the Army should take to strengthen not only the performance of Ask Mr. Foster Travel and CORs in the Fifth U.S. Army region but also those of future contract travel offices. Typically, a travel auditor would feed the results directly back to the agency so that reservations could be corrected and quality control procedures modified accordingly.

FINDINGS

Table 5-1 shows that domestic flights accounted for 6,989 of the 7,245 records audited; 256 were international flights. It also shows that Ask Mr. Foster Travel booked approximately 87 percent of all airline reservations correctly.

An examination of the 6,303 correct bookings shows that 1,910 Army travelers (30.3 percent) used contract carriers; 1,305 of those were unrestricted coach fares (20.7 percent) and 605 were capacity-controlled discount fares (9.6 percent).

¹Travel agents waitlist reservations when an existing lower fare is not available at the time of booking, but may be made available by the airline before ticketing occurs. To protect an advance purchase fare, travel agents enter the desired early ticketing date in the PNR, thereby cuing the computer to ticket the reservation on that date. Failure to enter the advance purchase ticketing date in the PNR, and the agency's failure to ticket on that date, could result in a traveler paying a higher fare.

TABLE 5-1
TOTAL BOOKINGS AND PERCENT CORRECT

Flights	Total records	Correct fares	Percent correct
Domestic	6,989	6,077	86.9
International	256	226	88.3
Total	7,245	6,303	86.9

While nearly 70 percent of the correct bookings were with noncontract carriers, 3,630 (or 57.6 percent) were booked as "me too" fares.² The balance were capacity-controlled discount fares, except for 224 unrestricted full-coach fares (3.6 percent).

Of the 942 incorrect fares booked by Ask Mr. Foster Travel, 912 were on domestic flights. (Embedded in these 912 errors were 72 that Ask Mr. Foster Travel corrected prior to ticketing.) The distribution of all 912 errors by type is shown in Table 5-2.³ Nearly one-half the errors (439) occurred because the agent did not use the lowest available fare for the flight booked, although the flight offered the best fare to the traveler. In 274 instances, or 30 percent, the agent did not book the traveler on the flight offering the best fare. For 146 travelers (16 percent), the agent did not waitlist the traveler for a lower fare on the flight booked. Finally, the agent made computational or procedural errors in 53 instances.

Table 5-3 summarizes, by domestic and international flights, the number of booking errors by Ask Mr. Foster Travel, the number of errors that were not corrected prior to ticketing, and the cost implications of the uncorrected errors. The excess cost to the Army travel budget for the 863 incorrectly booked fares was \$62,496, or \$72.42 for every error. (Just as a reference point, the cost of the audit was \$1.75 for every record audited.) The table also shows that Ask Mr. Foster Travel's

²"Me too" fares are offered for a particular city-pair by noncontract airlines to attract Government travelers from the contract carrier.

³A. Jenkins & Associates did not provide details on the types of errors that Ask Mr. Foster Travel made on the 30 incorrect international bookings.

TABLE 5-2
DISTRIBUTION OF ERRORS, DOMESTIC FLIGHTS

Type of error	Number	Percent
Correct flight, not lowest fare	439	48.1
Incorrect flight	274	30.0
Did not waitlist for lower fare	146	16.0
Incorrect fare calculation	45	4.9
Did not protect advance purchase fare	8	0.9
Total	912	99.9

TABLE 5-3
COST OF UNCORRECTED ERRORS

Flight	Total errors	Number corrected	Number uncorrected	Total excess cost (\$)
Domestic	912	72	840	59,659
International	30	7	23	2,837
Total	942	79	863	62,496

quality control procedures found and caused to be corrected 79 of the 942 errors, or 8.4 percent.

At the conclusion of its report, A. Jenkins & Associates provided three observations on the performance of Ask Mr. Foster Travel. First, Ask Mr. Foster Travel's error rate of 13.1 percent is high when compared with the commercial accounts audited during 1988.⁴ Those accounts had an average error rate of 5.6 percent. (According to A. Jenkins & Associates, error rates in excess of 3.0 percent are unacceptable to its commercial clients.) Second, the distribution of Ask Mr. Foster

⁴While this error rate is high, we cannot offer a comparison with the error rates of SATO, Inc., offices, which were not audited. The relative performance of Ask Mr. Foster Travel may be worse than, equal to, or better than that of SATO, Inc.

Travel's errors is similar to those of commercial accounts, which implies that the Army's travel environment is not dramatically different from that in the private sector. Table 5-4 shows those distributions. Third, Ask Mr. Foster Travel found and corrected only 8.4 percent of its errors prior to ticketing. Conversely, it failed to correct over 91 percent of its errors, which indicates a serious breakdown in quality control procedures.

TABLE 5-4
DISTRIBUTION OF ERRORS

Type of error	Commercial accounts (%)	Ask Mr. Foster Travel (%)
Correct flight, not lowest fare	53.5	48.1
Incorrect flight	21.1	30.0
Did not waitlist for lower fare	19.0	16.0
Incorrect fare calculation	5.4	4.9
Other (e.g., did not protect advance purchase fare)	1.0	0.9

CONCLUSIONS

Although the results of the audit show that nine Ask Mr. Foster Travel offices need substantial improvement, the auditor correctly points out that usually all errors are brought to the attention of the offices and agents making the errors. That practice inherently results, within a relatively short period of time, in improved office/agent performance and strengthened quality control procedures. In this case, Ask Mr. Foster Travel did not have the benefit of such feedback and consequently its performance suffered.

The audit provided three lessons to the Army. First, it should place more emphasis on quality control procedures in future contracts for commercial travel services. Second, the use of a travel audit firm to periodically monitor the performance of commercial travel offices and to work with them in strengthening their internal quality control procedures can pay substantial dividends to the Army. Finally, the Government's air fares are unique and require specialized training and

experience. The results of this audit of Ask Mr. Foster Travel's performance indicate that both the contractor and the Army should place more emphasis on training.

APPENDIX A

FIFTH U.S. ARMY REGION TRAVEL OFFICE LOCATIONS

Table A-1 shows the travel office locations, by state, within the Fifth U.S. Army region. It also shows the total number of offices, official travel, unofficial travel, and joint offices.

TABLE A-1

FIFTH U.S. ARMY REGION TRAVEL OFFICE LOCATIONS

Location	Total offices	Official travel	Unofficial travel	Joint
Arkansas				
Fort Chaffee	1	1	0	0
MEPS, Little Rock ^a	1	1	0	0
USP&FO, Little Rock ^a	1	1	0	0
Pine Bluff Arsenal ^{a, b}	1	1	0	0
Arkansas Total	4	4	0	0
Kansas				
Fort Leavenworth	3	2	1	0
Fort Riley	2	1	1	0
USP&FO, Topeka	1	1	0	0
Kansas Total	6	4	2	0
Louisiana				
Fort Polk ^a	2	1	1	0
USP&FO, New Orleans	1	1	0	0
Air National Guard, Belle Chase ^{b, c}	1	1	0	0
Louisiana Total	4	3	1	0

Note: MEPS = Military Entrance Processing Station; USP&FO = National Guard U.S. Property and Fiscal Office.

^a Affiliate (subcontractor) operated.

^b Satellite ticket printer.

^c Added after contract award.

TABLE A-1

FIFTH U.S. ARMY REGION TRAVEL OFFICE LOCATIONS (Continued)

Location	Total offices	Official travel	Unofficial travel	Joint
Missouri				
Army Reserve Personnel Center, St. Louis	1	1	0	0
Aviation Systems Command, St. Louis	1	0	0	1
2nd Coast Guard District, St. Louis	1	1	0	0
U.S. Corps of Engineers, St. Louis	1	1	0	0
MEPS, St. Louis	1	1	0	0
Fort Leonard Wood ^a	1	0	0	1
USP&FO, Jefferson City ^a	1	1	0	0
Missouri Total	7	5	0	2
Nebraska				
USP&FO, Lincoln	1	1	0	0
Nebraska Total	1	1	0	0
New Mexico				
USP&FO, Santa Fe ^a	1	1	0	0
White Sands Missile Range ^a	1	0	0	1
New Mexico Total	2	1	0	1
Oklahoma				
Fort Sill	2	1	1	0
MEPS, Oklahoma City ^a	1	1	0	0
USP&FO, Oklahoma City ^a	1	1	0	0
Oklahoma Total	4	3	1	0

Note: MEPS = Military Entrance Processing Station; USP&FO = National Guard U.S. Property and Fiscal Office

^a Affiliate (subcontractor) operated.

^b Satellite ticket printer only.

^c Added after contract award.

TABLE A-1

FIFTH U.S. ARMY REGION TRAVEL OFFICE LOCATIONS (Continued)

Location	Total offices	Official travel	Unofficial travel	Joint
Texas				
Fort Bliss ^a	4	1	1	2
Fort Hood	4	1	2	1
Fort Sam Houston	2	1	1	0
MEPS, Dallas	1	1	0	0
MEPS, El Paso ^a	1	1	0	0
MEPS, Houston	1	1	0	0
MEPS, San Antonio	1	1	0	0
Red River Army Depot ^a	1	1	0	0
USP&FO, Austin ^a	1	1	0	0
75th Military Area Command (Army Reserve), Houston ^c	1	1	0	0
Texas Total	17	10	4	3
Fifth U.S. Army Region Total	45	31	8	6

Note: MEPS = Military Entrance Processing Station; USP&FO = National Guard U.S. Property and Fiscal Office

^a Affiliate (subcontractor) operated.

^b Satellite ticket printer only.

^c Added after contract award.

APPENDIX B
FIFTH U.S. ARMY REGION AUDIT LOCATIONS

Table B-1 shows the Fifth U.S. Army region audit locations and the reservation system in use at each.

TABLE B-1
FIFTH U.S. ARMY REGION AUDIT LOCATIONS

Location	Reservation system
Fort Hood, Texas	SABRE
Red River Army Depot, Texas	SABRE
USP&FO, Little Rock, Arkansas	SABRE
White Sands Missile Range, New Mexico	SABRE
Aviation Systems Command, St. Louis, Missouri	PARS
Fort Leavenworth, Kansas	PARS
Fort Polk, Louisiana	PARS
USP&FO, Lincoln, Nebraska	PARS
USP&FO, Topeka, Kansas	PARS

Note: USP&FO = National Guard U.S. Property and Fiscal Office.

UNCLASSIFIED

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In the fall of 1988, Ask Mr. Foster Travel, the Army's first competitively acquired travel service contractor, began providing both official and unofficial travel support at 45 offices in the 8-state Fifth U.S. Army region. This report addresses the lessons learned during the Fifth U.S. Army region transition from the Scheduled Airlines Traffic Offices (SATO), under the management of U.S. flag airline owned SATO, Inc., to commercial travel offices operated by Ask Mr. Foster Travel. It also examines the early months of Ask Mr. Foster Travel's performance following that transition. We conclude that the program was successful but not flawless. Problems encountered during both the transition and the operational phases are within the jurisdiction of the Army and are relatively easy to solve. Our report recommends that the Army, prior to the next regional contract, should: conduct detailed transition planning; install a program management structure; standardize its finance and accounting procedures for official travel; adopt a variety of management and operating enhancements; and continue to contract for commercial travel services on a regional basis. We also report the results of an independent audit. The audit provided three lessons to the Army. These were: The Army needs to place more emphasis on quality control procedures; it should continue to use audits; and it must emphasize training and experience in future contracts. Keywords:					
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