# Joint purchasing agreement for Corporate Travel Management

The Norwegian Agency for Public and Financial Management (DFØ) by Central Procurement Body of Norway is entering a new joint purchasing agreement for Corporate Travel Management.

#### Which services are covered?

Central Procurement Body of Norway (CPB of Norway) has initiated a request for proposal (RFP) process for a new joint purchasing agreement for travel agency services, which will replace the current agreement from 12 June 2025.

Travel agency services are the infrastructure that contributes to a cost-effective travel process from booking to payment of business trips, as well as increased loyalty to other travel agreements (flights, hotels and rental cars). It provides better management and control, efficient use of resources, reduces total travel costs and ensures traceability and increased safety "Duty of Care" for travelers.

A joint agreement that promotes climate-friendly solutions will be of great importance. This means that the travel agency booking portal must be able to promote climate-friendly solutions when booking travel.

## Status

- Project mandate has been approved
- Internal project organization has been established
- Recruitment of procurement entities for the purchasing group starts in February

# **Project goals**

- Enter into a joint purchasing agreement that covers procurement entities needs for travel management services
- Enter into a joint purchasing agreement that promotes climate-friendly solutions
- Enter into a joint purchasing agreement that ensures financial gains through the agreement terms
- Ensure and stimulate competition in the supplier market for travel management companies

# **Outcome objectives**

- Increased volume of bookings for business trips through travel agency
  - High user satisfaction with the travel agencies' online booking tool (OBT)
    - Increase hotel bookings to 70 %
    - Increase rental car bookings to 70 %

- Reduce CO2 emissions from business trips by 50%
  - o Avoid: contribute to solutions that reduce travel activity
    - Develop a system that enables carbon budgeting for travel and measurement of actual CO2 emissions
    - Use a CO2 calculation method that gives the most correct CO2 emission figures
  - Move: contribute with solutions that shift consumption to less environmentally journeys
    - Search function / filtering by environmental impact in OBT
    - Better visibility of emission figures / environmental certification / zeroemission vehicles / trains
    - Increase usage of trains (rather than planes)
    - Possibility of booking long-distance buses, train journeys internationally and seat reservations on trains
  - Improve: contribute with solutions that improve the travel activity when the journey is necessary
    - Facilitate increased use of bio-tickets (Sustainable Aviation Fuel SAF)
  - Reduction of administration costs and travel costs
    - High contract loyalty more bookings though travel agency
    - 85% of orders through online booking toll (OBT)
    - Higher proportion of advance bookings of airline tickets
      - Domestic, minimum 80 % within 7 days before departure
      - International, minimum 75 % within 14 days before departure
      - Increased use of cabin class "Economy" domestically from 66 % to 80 %
  - Increased competition in the tendering process
    Receive minimum three effers
    - $\circ \quad \text{Receive minimum three offers} \\$

# **Tentative progress plan**

Milestones	Date/period
Project mandate approved	Q1 2024
Project organization established	Q1 2024
Competition strategy approved	Q2 2024
Announcement of the tender competition	Q3 2024
Selection of supplier and contract(s) signed	Q4 2024
Implementation and start of contract	Q2 2025

## **Project team**

- Project owner: section manager Frederik Hanses / CPB of Norway
- Project managers: Sara Hovland and Cecilie Trehjørningen / CPB of Norway

Project participants:

- Tone Bergh-Christensen, legal advice, CPB of Norway
- Stine Foss, sustainability, CPB of Norway
- Anne Cathrine Jacobsen, wages and working conditions, CPB of Norway
- NN, environment and social responsibility, CPB of Norway

- $_{\circ}$   $\,$  NN, analysis, CPB of Norway  $\,$
- NN, project participant from Division for Payroll

## Contact

Sara Hovland, +47 920 57 090, sara.hovland@dfo.no

Cecilie Trehjørningen, +47 400 65 274, cecilie.trehjorningen@dfo.no