UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

FY20 CITY PAIR PROGRAM PRE-SOLICITATION
CONFERENCE

WEDNESDAY,
JANUARY 23, 2019

The Pre-Solicitation Conference was held in GSA's Central Office, Room 1151, 1800 F Street, N.W., Washington, D.C., at 1:30 p.m.

STAFF PRESENT:

ANDREA ANDERSON, Contract Specialist
JERRY BRISTOW, Senior Program Analyst, CPP
MIKE CONNOR, Program Analyst, CPP
DANIELLE GALLANT, CPP
COREY GERST, Contracting Officer
GREG KIMBERLING, Intern, CPP
MARY MORRISON, Program Manager, CPP
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MS. MORRISON: Good afternoon, everybody. We're going to get started because, I think, the room has settled down. I believe everyone on the phone has what they need. Thanks for coming out this afternoon. I know it's cold. I understand there is also a partial government shutdown, but we are just pushing through forward.

I am Mary Morrison. I'm the City Pair Program manager. Our director, Lauren Concklin, was unable to make it today because her family has been infected with the norovirus. We said, please stay at home. She might pop in on the line if she's feeling okay. You might hear her pop in every so often as well.

Yeah, today is really to talk about the FY20 draft solicitation that was released last Thursday. For the most part, you guys, it shouldn't be anything new. We've talked about it in our one-on-ones, we've talked about it in our
partnership meetings. Hopefully, nothing comes
to surprise. And we'll kind of go over it a
little bit more in depth and why we made these
changes for the FY20.

This is just our general agenda, kind
of consistent from last year. We can get started.

Each year, we kind of try to basically
say a mission statement of the City Pair program.
And we have these three pillars of partnerships
with our suppliers, and our government agencies.
But focusing on our suppliers, we're really
trying to keep the integrity of the award that we
do award to contract carriers.

Currently in FY19, we are tracking at
86.3 percent compliance to the award carriers in
all awarded markets. That's October-November
data. We do not have December in yet.

This is a half percent higher than our
actual record year in FY18. We are seeing a
little bit of jump in that, and it's being
consistent, and our travelers are taking the
awarded carriers.
We're just continuing to work with our stakeholders on our optimal data strategy, sharing data with them, with our agencies, with our suppliers. And we always are working to get an optimal fair display, so, prioritizing our contract fairs in our government book systems. And we are also educating our customers on contract-awarded fares through our meetings, forums, and collateral.

Secondly, there is a transparency in the process. We're trying to be transparent in our RFP bidding process. We're continuing to try to streamline it and make it easy on our suppliers. We started the initiative with providing the OAG data, to make sure that you are bidding on all the markets that you are qualifying for. Although that is not a perfect science, you know, we're continually trying to improve upon that.

We also are working on an IT modernization with our IT system. That would be like COPS, which the suppliers use. And then
AirFare and CP Award, which we use to evaluate
and award. And CP Search, which you can use on
the public website. We're kind of venturing to
see how we can improve upon that, those types of
tools that will make them more user-friendly and
easier on our users.

Obviously, that won't be in the FY20
cycle because we're already in it, but we're
hoping in FY20 and years moving forward, you
might see a little changes, and hopefully for the
better in our IT tools.

We continue to try to award our fares
earlier. I think over the past three years we've
awarded them mid-July. That gives us earlier
access for increased usage and compliance
numbers, by getting those fares up. And our
agencies are able to book those fares for the
future FY cycles.

And as always -- we're big on working
groups, and tiger teams, and always getting
everyone's input. We're going to continue to try
to do that. I think last year was a good example
for audits. We had really good results with that, but you can see that in FY19, RFP.

And lastly, exchange of dialogue. You know, we're going to take the _CB business class fare items. We saw the Government had low usage in those business class line items. We talked to the suppliers, how do we possible, you know, get better usage out of it, better pricing. And so, we created these test line items, where we actually evaluate high-usage business-class markets.

In FY18 we used 12 markets. We saw a huge jump in _CB fare usage, from 12 percent to 41 percent. In FY19, we increased that to 57 markets, and we are seeing similar results in the first two months for those markets. And then FY20, we are doing it as 71 markets. We actually haven't changed any criteria, it's just that in 14 markets this year, the suppliers have code-shares with qualifying carriers, so we can now bid those out because they are actually solicitable.
Ee hope to continue to see this kind of success in the improvements we make to our program through this exchange of ideas and data sharing, one-on-ones, partnership meetings, and obviously we welcome a meeting at any point in time with our suppliers and agencies as well. We really want to listen to the voice of them, of our stakeholders. That will just really optimize our program and bring it into a position that is up to date for agency missions and the modern landscape of the airline industry.

Next slide. Let's just get into some of the changes that happened in the solicitation that we think are improving the program.

The time bands, why did we make this change? We wanted to expand the time bands included in the scoring to align with commercial airline schedule trends. In the past year or so, we were really seeing that 5 a.m. time band, and maybe a later 11:00 time band more scheduled service. We also know that our travelers are using them to really make one-day trips. We saw
that as being valuable to our travelers, and we
really thought that if our travelers are seeing
it valuable, why aren't we scoring it
accordingly. That's one improvement that we did
make.

The next is minimum passenger count in
nonstop markets. The goal was to solicit more
nonstop markets where the Federal Government
travels. It's always a customer asks, you know,
we love the nonstops, can we get them under the
program to get those benefits? We did lower the
minimum passenger count in markets where nonstop
service was offered by our domestic carriers.

If our travelers were going from A to
B in a nonstop market, and our supplier offered
it from A to B, then we solicited it. Most of
these are in Group 2, so they're going to be
lowest price technically acceptable. We're going
to evaluate on price versus best value. That's
probably one of the first times you'll see a
nonstop being in Group 2, which is going to be
kind of a trend for this year. Just look for
that. We'll get more into the markets later, so we can do a deep dive into it about numbers and whatnot.

The next one is E and F market scoring scale. We continually talked about changing the scoring for these smaller-volume markets of 4,999 passengers or less. We didn't change the scoring. Scoring is the same schematic. You won't see anything different in the RFP. The big thing is just we capped it.

For example, in A through D markets, nonstop service, Group 1, the maximum was 200 points. For E and F, the maximum is going to be 20 points. Once again, there's no real two plus two equals four change. It's more of like, two plus two plus two, you know, equals 25. But we're going to cap it at 20 for these E through F nonstops. There's also a cap for connection, but we'll get into that later, where you'll actually see the numbering changes. Once again, smaller-volume markets only. A through D staying the same.
Okay. Seasonal service. If you guys look through the RFP, there's no changes incorporated for seasonal service. We couldn't really agree on anything supplier-wide, government-wide. Nothing seemed to work. We're just letting you know because we always talk about it every, just unable to make a change. You know, you won't see anything in there. Just to ease the administrative burden, if you are soliciting markets, and there's no service on October 1, 2019, it's going to result in a re-award. Just keep that in mind.

Okay, and that's it for the program improvement updates. I'm going to hand it over to Corey, our contracting officer, just for some general updates.

MR. GERST: Thank you. Good afternoon. Last time we were together, I tried making a joke and it bombed. So, as the saying goes, once bitten, twice shy. I'm not going to try to be humorous at all today. We're just going to focus on the material here.
MR. BRISTOW: Corey, can you tell everybody who you are?

MR. GERST: Thank you. For those of you who don't know me or are coming in on the phone, my name is Corey Gerst. I am the contracting officer for the City Pair program. I have some representatives from my team here with me, Andrea Anderson, who is my wonderful, rockstar contract specialist, and Greg Kimberling, who is joining us as an intern.

I sent an email out to the carriers letting you guys know that they're on board. But if you don't mind, Andrea, do you want to stand up to say hello? And Greg is over here. The three of us sort of represent to procurement arm of the City Pair program. Before we get into my slides here, there was one thing I just thought of, per Mary's mentioning of the government shutdown, since I've gotten some inquiries on it. The federal employees you see in the room are considered exempt, meaning that we have funding in place that allows us to be here. As far as
GSA is concerned, as far as we're concerned, it's business as usual until we're told otherwise. If the pool of money that they're dipping in to pay our salaries with runs out, I will notify all interested parties and let them know that we essentially have been furloughed, and will provide instructions at that point.

But again, since I know this has come up on several correspondences I received, I figured this would be a good opportunity to address it. We're business as usual. Again, I think we'd be doing the public a major disservice if we don't continue and just keep moving forward with this requirement, and that is completely our intention.

There's a very fluid situation, so I don't know if and when we could be furloughed. I don't know. Again, that's above my paygrade, but I assure you that we will be transparent with the process, and just let all parties know -- you know, God willing, this will end soon, but if it doesn't, we'll keep you posted on that.
That being said, next slide, please.

The key solicitation requirements. This has been the same every year that I've been here, but I'll still bring it to everyone's attention.

The significant changes -- I believe it's found on page 2 of the RFP. We included the attachment as Attachment 8. It is not a catch-all. I have said this last year, I'm going to say it again. It behooves any interested party that wants to apply and compete on this contract for everyone to look through the contract and the -- I'm sorry, the RFP and its attachments in their entirety and familiarize yourself with it.

We try to give you sort of the highlight reel, but when it comes to significant changes, again that's sort of a subjective thing. We're just doing our best, as a courtesy, to let you guys know what we viewed as the more significant things, but that doesn't that there are other changes in the RFP that you guys should -- again, you guys being interested parties, need to familiarize yourself with.
Section C, as always, is a technical requirement of the RFP. That's, again, where our bona fide need is. And you can sort of see the ins and outs of what we're looking for in order for your offers to be considered technically acceptable.

Section H is special contract requirement. That's where we have the CRAF language and sort of special need, since this is a government-wide vehicle. We have all of our special needs and special contract requirements identified there.

Section J-1 is our checklist. It's our cheat sheet for any offerors to look at and make sure that you've got everything in your package prior to submission. Please keep an eye on SAM. Make sure that your SAM is active. Andrea and I will try to give you a heads-up when we see it, if it expires or it's due to expire. It needs to be active at time of award, otherwise we can't award to you.

Section L is our instruction to
offerors. That hasn't changed really on here either, but it's definitely good for you guys to familiarize yourself with these components so you understand all the instructions and nuances that we have incorporated for your proposal submission.

And the other thing in there that is a key requirement is just to familiarize yourself with Section M, which is our evaluation criteria. When we come into evaluation time, that's our Bible. It's kind of what we go by. And my job, as the source selection authority and the contracting officer, is to make sure the team adheres to it and that we do what we say we're going to do, so that we're fair to any parties that submit an offer.

Any questions? Okay, excellent.

The draft solicitation, as Mary mentioned, was disseminated last Thursday. We sent an email out, as a courtesy, to all the current carriers and any interested parties, to let you know that the RFP was posted to FBO.
FBO, FedBizOpps, is the government point of entry. Any type of communication, whether it's an amendment to the RFP, whether it's the final RFP, whether it's questions and answers, it's all funneled through that site. The reason we do it that way is so we give fair opportunity for everybody to see it at the same time. Obviously information is important, and we don't want to give one carrier or offeror an advantage over another by giving you information prior to giving someone else. We choose -- we're required to use FBO as the government point of entry.

Questions are due Friday. If you guys leave here today and think of anything, you have until Friday to submit it, using the template that I believe is Attachment 7. We have a question and answer template that I'd like everyone to use. You have until Friday to get it to us.

And we have a question from Tom?

MR. BILLONE: Yeah. This is Tom Billone, United Airlines. On that question
template, okay, we had the discussion earlier about incentives. Should we put it in there so it's your answer as came to me would be disseminated to other carriers who may have a question about that?

MR. GERST: That's a good question. The question was there was a inquiry made about the third-party influencers. I sent an email in response to that inquiry to all the carriers that have current contracts with us in response to that. That response is currently GSA's position. Any follow-up questions are going to be handled individually. If we have information that my lawyers think should be disseminated to everyone, I'm going to handle it accordingly. Otherwise, if I get him the emails, or if the program office gets emails, they're going to come to me, and we'll either handle it on a case-by-case basis, or if we feel that it would benefit the whole, we'll send out an email to everyone like we did with my previous correspondence.

MR. BILLONE: And so, it wouldn't be
-- that would not be a vehicle to do that?

MR. GERST: No. I recommend again --
we're definitely one to work with you and resolve
it, but I would recommend handling it separately,
and we'll just focus RFP-related question in
this, because that's really the proper venue.
But thank you for the question.

Is there any other questions on this?

Okay. Yeah. The RFP -- draft RFP question are
due this Friday, January 25th by 4:30p.m. And
that should be Eastern Time, just so we're clear
on that. Please send it to me,
corey.gerst@gsa.gov, Andrea, which is
andrea.anderson@gsa.gov, and the onthego@gsa.gov
website.

We're looking to respond to all the
questions and post them FedBizOpps by Friday,
February 1st. That date could be sooner,
depending on how many questions we get. We'll
try to send out a courtesy email to everybody
once it's posted. But figure Friday would
hopefully be the latest, depending on how many
questions we get in response to the RFP.

And then also, there will be an

opportunity to ask questions once the final RFP

is submitted in February. You'll have a couple

of shots at asking us some questions.

Next slide, please. We're going to

get to COPS now. Again, these are all targets

and ballpark figures. We're looking to open to

COPS test application on Monday, February 4th,

and close it that Friday. Group 1 offer upload

is tentatively scheduled to February 15th, which

is a Friday, and close February -- I'm sorry,

March 15th, which is a Friday.

COPS Group 2 is Wednesday, March 20th,

and closes April 10th, 2019. And Group 3 is

April 15th and will close April 19th. Jerry is

going to be your main point of contact. Andrea

is going to be partnering with Jerry, as she did

last year, to hand COPS administration.

The only other caveat that I would

throw in here is, like everything, if there's a

shutdown and somehow we're impacted by it, these
dates are all subject to change. But fingers crossed, we'll move beyond that by that point.

Questions on that? Cool. Alright, next slide.

Upcoming RFP dates. Final release of the RFP is scheduled for mid-February, as it always has been. As I said in the previous slide, Group 1 will close in COPS in mid-March, Group 2 will close in COPS in early-to-mid-April, Group 3 mid-April. Our special board is tentatively scheduled to convene in the beginning of April. FPRs will be submitted in late May, early June. Special board and final review will be late May, early June. And like always, we are trying and targeting a mid-July award.

None of this really changes, year-on-year, but those are certainly our targets, and I guess it's my job to make sure we hit those targets.

Any questions? Nice. Next slide, please.

Alright, so, no we're going to go
through the significant changes by section. Some of this, you'll see is redundant. If you have particular questions, please ask. Otherwise, you know, we'll just keep moving.

For the next slide, we are going to go through the definitions because we did add and change some definitions around, the technical requirements, method of payment. There was a minor contract clause change that I'll get into. We changed up the evaluation criteria for some of our lower-volume markets, as well as the method of evaluation, and we sort of revised our price-evaluation language for Group 1.

For the definitions, time band, as Mary alluded to, to sort of accommodate some of those earlier travelers and give more points to these 5 a.m. flights, we've expanded Time Band 1 to include 5a.m. And Mary covered that, so I'm not going to dive too much into that.

We also changed the definition of what code-share was. The old definition was that it was the practice of two or more airlines, each
placing its two-character designation code on the flight when listing the flight for booking purpose. This year's definition, we're going with a marketing arrangement in which an airline places its designator code on a flight operated by another airline and sells tickets for that flight.

We paired up with our lawyers, and that was the definition that we collectively wanted to go with for code-share.

MS. MORRISON: It's the same definition as DOT's, and they're the ones who make a code-share arrangement, so --

MR. BILLONE: You're just getting in line with --

MR. GERST: Correct.

MS. MORRISON: Yeah, it's like, why are we having a different definition when they're the ones who are making the code-share arrangement?

MR. GERST: The question was just kind of why we changed it. And the response that Mary
1 gave was, just so that it aligned with DOT's
2 practices. And DOT is the one that sort of set
3 the definition for code-share and establishes
4 what they are. We're just aligned with them, and
5 we're making sure that we're on the same page and
6 our definition mirrors what they have.
7 Next slide. Method of Payments. The
8 only change you're going to see in this
9 definition is that we incorporated electronic to
10 the paper form.
11 MR. BRISTOW: For the GTRs.
12 MR. GERST: For the GTRs. Sorry,
13 thank you. Anyone on the phone have any
14 questions also? Yeah, Justin?
15 MR. SCHIEFFER: I'm sorry, can you go
16 back a slide? I just want to make sure that
17 there's no other definition for centrally billed.
18 And that's written in reference to the -- the
19 SmartPay card are considered centrally billed
20 cards, is that correct?
21 MR. GERST: Yes.
22 MR. SCHIEFFER: And there's no other
type of centrally billed accounts that the
Government uses?

MR. GERST: Are you aware of any?

MR. BRISTOW: Not centrally billed
accounts per se on the SmartPay, but within the
GTRs, there's a -- you can set up what they call
a local bill, which is a local purchase of
authority. And that could be assigned to the
electronic form of the GTR. That's few and far
between today. They don't use GTRs domestically.
It's only for international travel and other
significant types of emergencies.

MR. BILLONE: It's Tom Billone, United
Airlines. That does not necessarily apply to
Congress, correct?

MR. BRISTOW: Correct.

MR. BILLONE: I think what the carrier
wants to do for, you know, as the Congress --

MR. BRISTOW: That's outlined -- for
Congress, that's outlined in the contract
specifically --

MR. BILLONE: Well, I saw the other
day, it was kind of a little bit different,
because it used to say, maybe since they're non-
mandatory users, that Congress was allowed to use 
checks, their own personal credit cards -- 

MR. BRISTOW: Or whatever you set up 
with them.

MR. BILLONE: Yeah, and it'll be set 
up. But it looked a little different when we 
were looking at it yesterday, so I'll need to go 
back and review that. It seems like the language 
was a little different.

MR. GERST: Yeah, if there's a 
question on it, please send it to me and I will 
look at it, and we'll disseminate it everybody, 
and we'll certainly do a deeper dive on that if 
we need to. Any other questions on that?

Alright, so now we're going to move into the 
evaluation methodology and some of the changes 
that we made. To me, or in my opinion, these are 
sort of the major shifts and changes we made for 
FY20.

We were taking a deeper look at how we
were evaluating the line items in Group 1, and it
took kind of occurred to all of us that we were
evaluating our larger-passenger markets in the
same way that we were evaluating our lower-
passenger markets. And by lower, I mean the E
and F, and we're kind of pondering whether that
was a prudent decision and whether that made good
business sense for the Government to do that.

What we're doing this year for, again, the lower-passenger market, which we would define
as an E and F market, we're not revamping any of
the scoring that we're doing. We're simply
capping the point allocation allotted in those
markets. The intent of that is to look at,
really sort of pragmatically, the offers that we
receive and determine is that added service that
we're getting, in either additional nonstop
flights, additional connect flights, additional
overall flights, is the juice worth the squeeze
for the Government? Does it make financial, and
prudent, and business sense to us to award on
that. Or if we cap it, do we see value there,
where the technical offers are a little bit more
aligned and better aligned, and we can make true
trade off decisions?

That's kind of where the logic is here
with that. Again, you won't see any difference
or changes in the scoring allocation, but you
will see that your score will be capped once you
reach the thresholds that we established. Again,
this is for Subfactor 1 that we're dealing with
on this slide. And it's only going to be for E
and F markets. It has no impact on the larger A
through D markets.

MS. MORRISON: Yeah, so, earlier I was
saying 20 nonstop. And, you know, it is 40.

MR. GERST: For the next slide, we're
going into subfactor 2. And it's the same thing
here. A through D is going to remain unchanged,
like it was last year. E and F, we're not
changing the scoring, we're capping it so that
there's a maximum point that a carrier can get
within those subfactors.

And to be honest, because we're
recycling and sort of this is a perpetual contract renewal every year, if it works, awesome. If it doesn't, we'll adjust our sales. But I think this, as taxpayers, is the most prudent and logical thing for us to do until we can determine whether we do truly value these lower-passenger markets where we have maybe 200 people flying per year, as much as the D.C. to Atlanta, which like almost 70,000 passengers. That's the logic behind that.

Questions? Cool. Alright, so next slide now. There's twofold that we did with the contract clauses. One was last year we had FAR Clause 52.216-19, I believe, which is ordering. I added that last year. It wasn't in there, I don't think, prior. And it was because it was sort of like a compliance, FAR compliance, thing, where requirements, contracts, or IDIQ-type contracts, all are supposed to have like an ordering period, so that people know when ordering starts and when ordering ends.

We really didn't have that. We had a
period of performance, and because this thing is perpetually renewed, everybody knew that, you know, in mid-July we're going to have a new contract out, and then October 1, the new contract kicks in. But we didn't really didn't have anything sort of definitive in there. We tried to 52.216-19 ordering clause, and upon sort of further inspection, we didn't feel like it was a good fit. We removed it this year, and we're adding the requirements clause.

CPP is a requirements contract. This obviously makes some sense here, that they would revise it and put a requirements clause in there. We have an approved deviation in here and are removing just sections of the clause that are not fit for this requirement. That's the only reason you're going to see strikethroughs in there.

If you see we have, like for FAR Clause 52.212-4, which is for commercial line items, you'll see that every year we have some deviations into that as well, for certain things like invoicing that may not be applicable to City
Pair. This is the same thing. It's just we've crossed out and struck through certain things that just are not applicable because of the type of contracts we're using for this.

Questions? Nice. Our next -- I think I'm done. Right? Thank you guys so much. I'm saying when I meet you guys how much we appreciate the partnership that we have with all parties. I can't thank you enough for how responsive everyone's been to all of our emails, and it's awesome and a pleasure to work with everybody here in the room.

Please feel free to reach out to Andrea or myself if you guys have any questions on the RFP. I do ask though that you use the template we've provided. Again, all questions need to be submitted to me in writing. I'm not being rude if I say, you know, if you call me or ask questions over the phone, I can't answer that. And it's just trying to be fair to everybody. We want an equal footing, an equal playing field for everybody. Information's
received when it's received, but it'll be
disseminated so that everyone gets it the same
time. That's the method to my madness. Thank
you.

MR. BRISTOW: Thank you, Corey.

Appreciate that. My name is Jerry Bristow. I'm
the senior program analyst for the City Pair
program. The probably emphasis on that is
senior, for those of you who know me. Long time
City Pair participant.

Let's get into the meat of what's
happening this year and where we're moving
towards here. The new market requirements and
the information. We're soliciting 13,040 markets
this year, 681 more markets than we did last
year. This was because of the changes in some of
the requirements, changes in what we're looking
for with regards to movement of the Group 1s, or
2s, or 3s.

We'll go through that in a little bit,
but it really does bring us full circle here to
2.73 billion dollars in spend, which cover 87
percent of the total Government air spend.
That's pretty significant in the amount of
markets that we have. As you said, 681 more
markets than in FY19. International business
class, we're soliciting 71 of those markets with
an estimated spend of 73.8 million. FY18 total
business class spend was 135 million, so we're
getting closer and closer to that number being
solicited under the City Pair program for
business class service.

New nonstop market, 222 of the markets
was an estimated spend of 1.3 million. Those are
the markets that we looked at with the lower
passenger volumes that we're including in this
year's bids for any nonstop service that we can
possibly obtain here in the solicitation process.

We're moving some Group 1 markets to
Group 2 as a test, 12 A to D markets. These are
carriers that have similar service with nonstop
minimum service. We're looking to move that into
the Group 2, lowest price technically acceptable
is going to be the bid. That will come in with
those similar services with lowest price technically acceptable.

Four-hundred ninety-eight of the e-markets we're moving into that as well, into the lowest price technically acceptable area under Group 2. Any questions on that?

MR. HICKS: Jerry, just one question. The 13 percent that's not on the Government air spend, is it mostly overseas, or --

MS. MORRISON: Yeah.

MR. HICKS: Yeah, mostly overseas, right?

MS. MORRISON: International. We capture all the nonstop markets that were a passenger count of 40 and under, so there are, you know, connect markets that we're not capturing as well that are the smaller markets.

MR. BRISTOW: But some of those connected markets can have two City Pair fares in the connections. We're approaching some of that as well, what works to our benefit. But mostly it's the international, or the international,
inner-Europe, inner-Asia, inner-Africa that we're unable to get to in those connected points because there's no US carrier that qualifies for that market.

MR. BILLONE: Question on that.

Occasionally -- this is Tom Billone again from United. Occasionally you come out with a credit card spend, which is different than the contract spend. That credit card spend is that -- well, no. I take it back now that I'm think of it because you showed United Airlines and you showed Lufthansa. Lufthansa would be just within --

MR. BRISTOW: Within Europe, right.

MR. BILLONE: Okay. Never mind.

Backtrack.

MR. BRISTOW: If it has a United code-share designator on it, it comes to United, right?

MR. BILLONE: Okay.

MR. BRISTOW: Okay. You talked yourself into it, right? Next slide please.

The FY20 market information here, and
this the Group 1 markets, 4,256. They're broken
down as domestic, 2,937, international, 1,319,
Group 1 extended connecting markets domestic, 494
markets, and Group 1 extended connected markets
internationally, 705, business class, 71. And we
do have two fifth freedom markets assigned this
year in the contract.

Total Group 2 markets, 7,875. That
breaks down to domestic at 6,582, and
international at 1,293.

Our Group 3 markets that we had from
last year continues to -- we believe a success in
reducing some of those minimum requirements that
brings those in. Domestically, we have 595
markets, and 314 international markets.

Total domestic markets, 10,114. Total
international markets, 2,926. Thirteen thousand,
forty markets. Of course, understand, these may
change some as any updated information is
received or we get information that something
else has happened before the final solicitation
comes out with the number of markets. Okay?
Next slide, please. The dynamics of our FY20 markets this year. Again, markets solicited in FY19, 12,359. This year, 13,000. That's up 5.51 percent, or 681 additional markets this year. Broken down, you'll see the change in Group 1. Some of those Group 1 markets slid down to Group 2, based on the requirements. Some are into Group 3.

In Group 2, you see an increase of 12.21 percent. Some of the market variances shuffle each year back and forth, so these are the new dynamics that we have in these areas. Domestically, we're up 3.81 percent. Internationally, we're up 11.85 percent. And our estimated passenger volume is 8 million this year.

MR. BILLONE: You don't expect any increase in passenger volume? Because you show 19 has 8 million also.

MR. BRISTOW: Yeah, as we look at the number that come in, we're sort of flat right now. Of course, we have some discussion points
with regards to the government closure. We're tracking that. October, November, numbers were flat. December, numbers come in next week.

We're going to look to share that information with you to see what the impact of the shutdown is, and we'll work through that with you.

December normally is our slowest month in our business. Therefore, the impact might be less. A number of our larger government agencies are funded and still traveling. DoD, one of our main components here, totally funded and totally traveling.

Some of our shutdown personnel are not necessarily our travelers. We don't know what that impact is going to be. You may want to take a look at advance reservations. Normally, when people come back from the holiday leaves and things like that and finish up their use or lose, they come in this time of the year and start booking.

You may see a little bit of degradation in the advance bookings. They
normally book out from January to May, hit the summertime, and then go from there. But we'll be sharing any of that data that we can possible get with you, or back to you, to show you what that impact might be over all.

I don't know if we can do specifically per carrier, but we can look at our top markets, see what that impact is, and share that with you. We'll look at the carrier summary overall, we'll look at our City Pair summary overall, and share that with you as well.

Next slide, please. Our numbering system this year, for the FY20 item numbering system, pretty self-explanatory. I don't know that I have to read this. You'll this on your page, so please look at these and apply those accordingly.

A couple of things here that I wanted to just touch on before we get into questions. I think I talked a little bit about the shutdown -- the partial shutdown. You're looking at about 25, 30 percent, with 15 percent furloughed, 15
percent working without pay, who are still able
to travel, as we stated before. We're monitoring
this. It may affect that travel volume, but, you
know, some of this is beyond our control. It may
pick up when they come back, and they come back
with a vengeance. We have to be ready for that
too.

And that's really the basics of the
City Pair program, to be ready to go when we need
to go. I will continue to work and move that
contract forward on time. We think it's
practical on our part, and practical on our
partners' part, as well.

We've also checked -- we sent out new
information on the SmartPay 3 cards. Those are
all in effect. If you have any questions on
that, please let me know. I think we got that
out early. Sorry you saw some changes in there.
Those were necessitated by new contractors coming
on board. We actually ran out of some numbers as
to how many cards had been issued.

We had to make some adjustments as we
went along. We are trying to keep you advised as quickly as possible. They extended some cards. You got a changeover in Congress. They didn't want to interrupt the ones that were still here, but they also wanted to be able to take care of the ones that were coming in. There was a lot of aspects to that.

Cards are still active, VIN numbers are still active. Those are still available, whether or not you have the shutdown or not. People who need to travel are going to travel. They're going to have access to the cards to be able to travel. And that will continue to function during that shutdown, so your IVAs and CVAs will continue to function.

We can't do this without our participation of our suppliers, and we appreciate your being here, not only today, but all the way in the past. The past got us to here, but your active participation today really shows the value of the program. And thank you for being here today as well, so --
Any other questions?

MR. SCHIEFFER: Justin, Southwest.

Just a quick question, more a hypothetical. But if you do encounter -- or the City Pair team encounters a delay from the shutdown, do you anticipate that you'll still be able to get the RFP, or get the awards out in time? Or would that encompass a delay of the start of Fiscal Year 20?

MR. GERST: Great question. The question, if anyone didn't hear on the phone, was, in the hypothetical where GSA and the City Pair program is impacted by the shutdown, will there be any delay in either the issuance of the final RFP, or the issuance of award?

It's a tough question to answer because it's very hypothetical, and it's just very unknown. When we create our timeline, we add sort of what I like to call padding in there, some slippage, because life happens, and certainly things get delayed. We do have some wiggle room in our timeline, where we could
potentially adjust, if we were furloughed. But that would really depend on, A, when were furloughed, and, B, how long we were furloughed for.

We do have some options in place. We do have the option in there where we can exercise the option and just prolong the FY19 contract for up to three months if we need to. It's really just going to be a sort of wait and see type thing, which is why it's tremendously important for us to carry and do business as usual, so that we can get normal business operations going, and get us in a good position, so that if we were to shut down, it would have as minimal of an impact as it can.

The fact that we got our draft RFP out on time, in my mind, is a huge win, so that our industry partners can see what our requirements are and can start preparing accordingly. The timeline is going to remain unchanged for the final RFP. Again, the only thing that could change that would be the shutdown, in which case,
I would be able to disseminate that and post that. But we'll just play jazz, and, you know, if we need to expedite things and scramble and do what we've got to do, again, our intent is a mid-July award.

That's our collective goal between Mary's team, my team, everybody, and we are going to do our best to take care of it. But it's -- I'm sorry for the vague answer. It's just a very -- it's a tough question to answer because it's just so beyond our control.

MS. MORRISON: Yeah, we wouldn't even know if we would be furloughed or exempt, if our agency was shut down. But you don't know that until like the day before it happens.

MR. GERST: Yeah, we don't know until we get the wonderful phone call or email saying, please don't show up tomorrow.

MR. BRISTOW: But in previous years, we've encountered some delays on our release of the awards. We're shooting for mid-July. There's been times that we've awarded mid-August.
We like to get it out early so that people are able to book, especially the _CA fares, as soon as possible. But, you know, that could give us the extra month to get this out on time, to see what happens, if something unforeseeable occurs.

Yeah, we say it's padded. It's not really padded, but it will compress us to really get this done. And then we'll come out with the designated dates and like that. If we're impacted. It's usually day-for-day shift. If it comes day-to-day, you'll probably see a day-for-day shift, just as a thought process.

Bur Corey will be coordinating that, and internally we're setting up our what-ifs, and our risk analysis, and whatnot, it will impact us to get that information out, start booking them and things like that, but the award could happen a little bit later. I hope that helps.

MR. SCHIEFFER: It does. Thank you.

And then just, if I can ask one more question, as suppliers, is there anything that we can do to help?
MR. GERST: As far as the shutdown goes, or --

(Laughter.)

MR. GERST: You guys, as Jerry said, and as I have said, it's been a phenomenal partnership that we have with the airlines and everybody. Our focus is business as usual, and, you know, we ask that you guys continue with business as usual. There might be a dip in travel. Unfortunately, that's not really anything that we can control.

I'd just ask for your continued patience with things. I think that would be the most helpful thing across the board, is you guys continue to be patient with us, and just know that we are moving methodically and pragmatically with everything we're doing here, in the hope that, A, the shutdown will end, B, if it doesn't that we will be impacted -- the impact will be negligible. But no, you guys have been awesome, and we do appreciate everything that you guys have done to help this program be successful.
MR. BRISTOW: We're going to place the presentation documents -- they'll be posted on our site, so those of you who didn't have a copy of this or need additional copies, it'll be posted on the site.

MS. MORRISON: Yeah, the transcript will be.

MR. BRISTOW: And the transcript will be as well. Once we get that back and confirmed, which is usually pretty quick --

Any other questions from anybody on anything else?

MR. GERST: I had one last comment that I wanted to make. It was just that going forward, just as sort of a reminder, if you have any sort of contract or solicitation requirements, please make sure that you direct them to Andrea or myself. If there is anything that has to do with the program office, please direct that to Mary and her team.

We work very closely together, so I try to stay in my lane, and I know Mary tries to
stay in her lane. If she gets a contracting-related question, she'll forward it to me, and vice versa. I just wanted to have you guys sort of put faces and names to sort of roles and responsibilities so we can get you as quick an answer as we can.

MS. MORRISON: Yeah, and we did send that survey out to all the airline suppliers, so if you wanted to just send it to the -- for PMO purposes, the CPP team, that disseminates to our whole team. You know it's going to us. If someone's out, someone's going to take it and disseminate appropriately.

But I mean, I still understand if you guys just send it to Danielle or I to something. I'm not going to be like, hey, send it to the CPP team, but there is a CPP team email, just so, you know, to make it easier on you guys, so you're not like, which one do I send it to?

MR. BRISTOW: Are there any questions on the phone? I know we've asked the questions here, and hopefully we answered those on your
behalf as well, but any questions on the phone?

Are there any other discussion points you wanted to pursue before we leave, that pertains to the contract?

MR. KIMBERLING: I think we may have a question from online.

MS. MORRISON: They're not typing anymore. Okay.

MR. GERST: You do have -- if there are follow-up questions, if you think of something when you leave, whether on the phone or in person, you have until Friday to submit draft solicitation questions to us. If you forget and don't meet the deadline by Friday, you'll have another opportunity, once the final RFP is issued, to add to our questions. We want to be as transparent as we can be and make sure we're all on the same page, and that there's no confusion, or we address the confusion as best we can. Thank you, guys.

(Whereupon, the above-entitled matter went off the record at 2:31 p.m.)
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This is to certify that the foregoing transcript

In the matter of: FY20 City Pair Program
    Pre-Solicitation Conference

Before: US GSA

Date: 01-23-19

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

__________________________
Court Reporter