You can anticipate to learn:

• Learn what to ask for within your contract and how to get it through compromise.
• Review what is negotiable and the relation to your meeting objectives.
  • Review the top confusing clauses and better understand them.
DISCLAIMER

NEVER sign a contract, an event order, or any contractual type agreement on behalf of an organization without the explicit written authority to do so.
What’s a Contract?

• An agreement between 2 or more parties
  • Each party agrees to do or not to do something
  • It obligates one party to another.
• Does not have to be formal written document.
  • Recommend in writing.
  • Banquet Event Order (Event Order)
  • Letter of Agreement
  • Email document
The “Negotiables”

• Room Rates, room types
• VIP/Complimentary parking
• % discounts off of food and beverage, and audiovisual

• Reduced (waived) meeting room rental
• Cancellation policies
• Attrition clauses
• Hours for fitness center to be open

ASK FOR IT!
Achieve The “Negotiables”

• Know what you need.
• Negotiables **SUPPORT** the meeting objectives.

• Partner **WITH** the other entity.
• Common goal – to hold a successful program.
Negotiation Tips

• Negotiate top selections ONLY!
• Be upfront
• Leverage short lead times.
• Factor in creative negotiation when there is a stalemate.
• Keep focused on meeting objectives.
What should be included?

• Group and Facility Names
  – who is the contract between?
• Definition of all Terms & Obligations
• Sleeping room block
  • Guest Room Reservation procedure
• Agenda/Function Space
  – get meeting room names!
• Food & Beverage specifics
• Exhibits, if applicable
• Billing Procedures
• Miscellaneous
Plus don’t forget…

- Default & Breach of Contract
- Indemnification
- Contract Termination
- Cancellation
- Force Majeure
Clause Samples

“Indemnification: Each party will indemnify, defend and hold the other harmless from any loss, liability, costs or damages arising from actual or threatened claims....”

“Force Majeure: Neither party shall be responsible for failure to perform this contract, if circumstances beyond their control, including but not limited to, Acts of God, shortage of commodities....”

“Cancellation and Performance: This offer is based in part upon the total revenue anticipated as indicated by the guest room block and planned functions. Group agrees and understands that in the event of a cancellation, or lack of full performance, actual damages the Hotel would incur would be difficult to determined. Cancellation damages will be calculated on a sliding scale....”

“Right of Termination: Each party may terminate this Contract for any one or more of such reasons upon written notice to the other party within ten (10) days of such occurrence....”
And make sure to include...

• Protection Clauses
  - Fire
  - Insurance
  - Arbitration
  - Change of Management
  - Facility Remodeling
  - ADA Compliance
  - Alternative Dispute resolution
  - Financial issues (bankruptcy, reorganization)
Protection Clause Samples

“Arbitration: Any controversy or claim arising out of or relation the contract shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association…”

“Americans with Disabilities Act: Hotel must be in compliance with the Americans with Disabilities Act (Public Law 101-336)”

“Fire Safety: Hotel warrants that it has (or will by the time of the meeting covered in this agreement) hard wired smoke detectors and an automated sprinkler system in each sleeping room in compliance with the applicable and federal law.”

“The hotel shall promptly notify the client if there is a change in management that operates the hotel or a change in ownership prior to the scheduled program. Client shall have the right to terminate this hotel contract without liability…..”
Oh, and also…

- **Insurance Coverage**
  - General liability
  - Fire/legal
  - Medical
  - Liquor/Liability
  - Certificate of Insurance from 3rd party vendors
  - Workmen’s comp
  - Additional items
Insurance Clause Samples

“Insurance: Each party will maintain insurance sufficient to cover any claims or liabilities which may reasonably arise out of or relate to its obligations under this Agreement and provide evidence of such insurance upon request.”

“Liquor Liability: Hotel agrees to carry a minimum of $1,000,000 in liquor liability insurance and further agrees that all employees and agents performing services under this Agreement shall at all times comply with all Federal, State and local laws pertaining to the sale, service or furnishing of alcoholic beverages to anyone attending this meeting....”

“Relocate Policy: In the unlikely event we are unable to honor all guaranteed reservations for your group (for reasons that are not events of force majeure) then we shall, at our expense, secure comparable accommodations and provide, at our expense, transportation to/from such accommodation and one complimentary telephone call...”
Green it Up!

- Recycling program clause
- Energy use clause
- Waste minimization clause
- Environmental responsible purchasing clause
- Documenting usage during event and provide usage follow-up report
- Donating leftover food clause
Review to Final

- Never sign a contract without express written authority.
- Verbal agreements are included.
- RFP Proposed items are included.
- Legal-ease is correct.
- Ensure billing and payment schedules align with company or client processes.
- CSR Items are included!
Tips

• Be Flexible*
• Be Realistic*
• Be Aggressive*
• Be Generous*
• Be Brand Loyal*

Questions?