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MEETINGS ON *YOUR* TERMS IN THE ERA OF “ROI”, TIGHT BUDGETS & ACCOUNTABILITY: *A LEGAL GUIDE*

Presented By:

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BIOGRAPHY OF JOSHUA L. GRIMES, ESQUIRE

Joshua L. Grimes, Managing Attorney of Grimes Law Offices, LLC based in Philadelphia, specializes in serving the hospitality industry. Among his clients are meeting and event planners, corporations, associations, hotels, restaurants, convention and conference facilities, and tour operators.

In his law practice, Mr. Grimes meets the specialized legal needs of hospitality industry professionals. His work on behalf of associations and meeting and event planners ranges from incorporation issues to association governance, attrition mitigation, liquor liability, contract drafting and review, employment issues, and ADA compliance. Mr. Grimes' advice helps planners protect themselves and their organizations from potential risks and damages, and thereby reduce the likelihood that they will face costly legal problems in their work.

Mr. Grimes also represents hotels, tour operators, convention centers and meeting facilities. His work for hotels includes contract negotiation, franchise and management agreements, property sales, labor issues, and civil litigation. Mr. Grimes was in charge of legal matters for the opening of the Pennsylvania Convention Center.

A former aide to ex-Pennsylvania Governor Edward G. Rendell, Mr. Grimes is a member of the Board of Directors of the Academy of Hospitality Industry Attorneys. He is also a member of MPI, and the Lower Merion Township (PA) Zoning Hearing Board.

A frequent author and speaker on hospitality law topics, Mr. Grimes was an Adjunct Professor of Hospitality Law in the **Temple University School of Tourism and Hospitality Management** from 1999-2006. His articles are featured in publications such as *Convene, Corporate Meetings & Incentives, The Meeting Professional, Lodging Hospitality, Successful Meetings, Association Trends, Event Solutions*, and *Mid-Atlantic Events Magazine*.

Mr. Grimes was recently selected by **Meeting Professionals International** for its Proprietary Content program. He is also a Best In Class Speaker for the **Professional Convention Management Association**. His presentations are frequently offered at chapter meetings of MPI and PCMA throughout the United States and Canada.

Mr. Grimes is a featured speaker at major hospitality industry meetings as well. He recently spoke at **MPI's Gulf Meetings and Events Conference** in Dubai and the **Gulf Incentive, Business Travel, and Meetings Exhibition (GIBTM)** in Abu Dhabi. Mr. Grimes has also presented for the **American Society of Association Executives (ASAE)**, **Meeting Professionals International (MPI)**, the **Professional Convention Management Association (PCMA)**, the **Hospitality Sales & Marketing Association International (HSMIAI)**, the **International Association for Exposition Management (IAEM)**, the **International Association of Assembly Managers (IAAM)**, the **International Special Events Society (ISES)**, the **Association of Collegiate and College Events Directors - International (ACCED-I)**, and the **Canadian Association of Exposition Management**.

Mr. Grimes is a graduate of the University of Pennsylvania and The George Washington University National Law Center. He is admitted to the Bars of Pennsylvania, New Jersey, and the District of Columbia.

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Learner Outcomes

- Create Strategies to Use the RFP Process to Speed Up Negotiations & Achieve Contracts on Your Terms.
- Learn How to Access the Speed & Convenience of Online RFPs Without Sacrificing Important Details & Advantages.
- Ensure Chosen Hotel & Supplier Partners Meet the Scrutiny of CFOs, Difficult Stakeholders & Government Examiners.

The Changing Contract Process

- Event Information Shared Electronically.
- Opportunities to Solicit More Vendors, and Receive More Quotes With Less Effort.
- Vendors Get More Business Opportunities.
- Faster Responses from Prospective Vendors.

New Challenges

- Potential For Less Attention to Detail by Respondents.
- Increasing Pressure for Planners to Contain Expenses.
- Duty to Incorporate Association / Corporate Policies in Supplier Contracts.
- Conflict of Interest & Ethics Rules Create Need to Uncover More Information About Suppliers.

RFPs in Meeting Site Selection

- Furnishes Relevant Event / Service Information to Potential Bidders.
- Saves Planner Time / Money by Sending 1 RFP to Multiple Vendors.
- Opportunity to Present Meeting Needs & Requirements in 1 Document.

RFPs: Key Elements

- Meeting Dates, Room Block, F&B, Other Needs.
- Form Contract / Addendum.
- Meeting Policies: Travel Rules, Per Diems, Sustainability Policy, Alcohol Consumption Rules.
- Legal Compliance Requirements.
- List of Concessions.
- Other Special Requests.

APEX RFP Workbook

- Good Form for All Events; Guideline for Printed & Online RFPs.
- Different Event Types:
 - Single Facility.
 - Citywide.
 - Event Technology / A-V
 - DMC & Transportation Services.
 - General Services Contractor.
- Link:
<http://www.conventionindustry.org/StandardsPractices/APEX/RFPWorkbook.aspx>

Online RFPs

- Distributed on Individual Hotel / Supplier Web Sites, or by Multi-Hotel Site (StarCite, SpeedRFP).
- Fill-In Information Blocks for Standard Terms; Optional Opportunity to Add Additional Terms & Attach Documents.
- Allows for Faster Solicitation & Responses.
- Easily Submitted to Multiple Vendors.
- Consider Likely Response Volume.

RFP Benefits

- Allows “Apples to Apples” Comparison of Bids.
- Opportunity to Bind Responding Suppliers to Prices & Terms.
- Requires Responding Suppliers to Identify Issues with Form Contract / Addendum.
- Promotes Proper Vendor Selection (Association Rules, IRS Guidelines, Sarbanes-Oxley).

Online RFPs – What to Look For?

- Can Planners Add Their Own Terms?
- Limited Opportunity to Highlight Meeting Description & List Objectives.
- Do *All* Qualified Hotels in Host City Participate in Bidding?
 - If Not, How Are Bidders Selected?

Online RFPs – What to Look For (2)

- Is Participation Dependent Upon Commission Payments to Online RFP Sponsor, or Biased by Amount of Commission?
 - Issue: Must This be Disclosed by Planners to their Organizations?
- Make Sure Sponsor’s Conflict of Interest Rules Satisfied.

Online RFPs – What to Look For (3)

- Consider Supplementing Online RFP with Direct Hotel RFPs.
- Ask Hotel Not to Auto-Populate Response to Ensure Accuracy.
- Include Question to Ensure Supplier Reviewed Your Terms.

Online RFPs – Filling In The Gaps

- Include Corporate / Association Policies as Attachments.
- Attach Sponsor’s Conditions of Bidding.
- Maximum Spend per Meeting / Per Diem Cap.
- Prohibited Expenses / Prohibited Venues.

Online RFPs – Filling in the Gaps (2)

- Security Requirements.
- Payment Timing Requirements.
- Date Flexibility.
- Service Levels
- Request Menu Pricing.
- Service Charges / Ancillary Fees.

Online RFPs - Filling in the Gaps (3)

- Insurance Requirements.
- Consider Conflict of Interest Disclosure Form.
- Commission Disclosure.
- Confidentiality Statement.
- Selection Criteria.

Sample Contract or Addendum

- First Effort in Achieving Contract on YOUR Terms.
- Include Essential Clauses: Attrition, Force Majeure, Hotel Quality, Price Adjustments.
- Ask Bidders to Note Comments in Response or Terms Will be Deemed Accepted.
- Request Bidder's Sample Contract if Concerned or Sponsor Has No Contract.

Sustainability / CSR

- Include Sustainability Measures & Goals in RFP.
- Ask Hotel / Supplier to Submit its Sustainability/CSR Policy.
- Negotiate Specific Methods, Goals & Benchmarks into Contract.
- Request Progress Reports in Daily Pick-up Report.

Contract Negotiations

- Preserve Rights Until Contract Fully Signed.
- Do Not Release Other Bidders Until Contract Executed.
- Set Deadlines (Internal / External) For Negotiations.
- No Publicity Until Contract Signed.

Accountability

- GSA Controversy, Economy Highlight Concerns.
- Spending Limitations & Restrictions Often Imposed.
- Must Demonstrate ROI.
- Conflict of Interest Rules & Concerns.

Accountability (2)

- Consider Bidding for Material Expenses
 - RFP or 3 Telephone / Email Bids.
- Impose & Enforce Conflict of Interest Rules
 - Require "Insider" Disclosure:
 - Financial Interest in Decision
 - Prior Business or other Relationship with Supplier.
 - Commission / Kickback for Business.

Contracting

- Enforce Form Contract or Addendum Sent with RFP.
- Consider Exceptions & Alternative Provisions Submitted by Supplier.
- Attach Planner Policies & Incorporate by Reference: Sustainability; Conflicts; Travel.

Documenting Your Decisions

- Document the Entire Bidding/RFP Process.
- Note in Writing the Reasons for Selecting Hotel & Other Vendors.
- Retain Records in Safe Place for Reasonable Period.

Questions & Answers


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MEETINGS ON *YOUR* TERMS

SAMPLE RFP CLAUSES

CLAUSE #1 – CONDITIONS OF RFP RESPONSES:

Conditions of RFP Responses

1. Non-Binding Acceptance of Responses: This RFP does not commit Meeting Sponsor to award a contract for any services or products.
2. Proposal Costs: Meeting Sponsor is not liable for any costs incurred in the preparation of a response to this RFP, or other expenses incurred by the bidder in seeking to secure a contract.
3. Modifications: Responding bidders may be asked to make such revisions, additions, or deletions to their proposals as may be required by Meeting Sponsor.
4. Reserved Rights: Meeting Sponsor reserves the right, at its sole discretion, to:
 - a. Reject any and all proposals received in response to this RFP at any time prior to signing of a contract;
 - b. Award a contract to other than the lowest fee proposer;
 - c. Waive, modify or correct any irregularities in proposals received, after notification to the responding bidder;
 - d. Change the structure of the proposed fees and costs, if in the interest of the Meeting Sponsor;
 - e. Extend the time for submission of all proposals after notification to all prospective respondents;

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- f. Terminate negotiations with a selected bidder and select the next most responsive bidder, or take such other action as deemed appropriate if negotiations fail to result in a signed contract within a reasonable amount of time from the commencement of negotiations;
- g. Terminate or modify the RFP process at any time and reissue the RFP;
- h. Approve or reject any subcontractors or suppliers proposed by a responding bidder;
- i. Request a change of any subcontractors or suppliers at any time in the contract process.

Contractual Requirements

- a. Any bidder awarded a contract as a result of this RFP will be required to sign a contract substantially in the form attached hereto.
- b. Any information which may be released orally by the Meeting Sponsor, or orally or in writing by a third party online RFP service, or any other person or company outside of this RFP, is preliminary in nature and shall not bind the Meeting Sponsor nor the responding bidder.
- c. PLEASE SEE THE ATTACHED SAMPLE CONTRACT/ADDENDUM. Responding bidder must submit any comments or exceptions to the provisions in this sample Contract/Addendum with its bid and other RFP responses. Any provisions in the sample Contract/Addendum not commented on or objected to by bidder may be deemed accepted.

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CLAUSE #2 – DECLARATION OF UNDERSTANDING [Attach to RFP]:

DECLARATION OF UNDERSTANDING

By signing in the space provided below, the undersigned certifies that the responding bidder (i) has read and understands the scope and requirements of this meeting, as described in the RFP and all attachments; (ii) has the capacity to execute this project and provide the services and products requested; (iii) agrees to accept payment in accordance with the requirements of this RFP and the standard Contract/Addendum attached hereto; and (iv) will, if its proposal is accepted, enter into the attached Contract with the Meeting Sponsor, except as noted in the undersigned's response.

The undersigned, individually and as authorized representative for the responsible bidder, further stipulates that the information in its proposal is, to the best of his/her knowledge, true and accurate.

Bidder's Business Name

Authorized Signature

Date

Print Name

Title

Business Address

City, State, Zip Code

Telephone Number

Fax Number



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