

## **Ask the National Conference Call**

**Vendor Contract Review, Tuesday December, 2, 2008 at 7:00 PM EST**

**Hosts: Heather Martinek, Chris Brown and Debi Maines**

Additional Notes to the Handout:

- Recommend having an attorney review the contract before final signature time
- When signing contracts, Regional leadership is concerned about signing their name on an agreement. A suggestion was provided: place your name in the context of “As an agent for...”, as you are working as an agent for your Region
- Room rates should be clearly stated and list all taxes. Some contracts dated for future years may state that room rates are subject to increase. You may have the hotel confirm these rates in advance. Resources like Expedia.com can be helpful in comparing to your contracted rate and reviewing a proposed or contracted room rate versus other venues.
- The previous year’s contract and pick up report (or actual room nights used) are good tools of statistical history that can help predict future hotel room usage. A more detailed report of all other revenue sources (e.g. telephone, business center, room service, movie rental etc) is also helpful in demonstrating potential buying power.
- Many hotels will look at the potential revenue when determining your group and its budget. They can predict what your guests are going to spend on rooms, gift shop, parking, etc. With this revenue projection, a proposed hotel sleeping room rate, meeting room rate and food and beverage minimums are determined.
- Concessions offered by hotels vary due to their revenue projections for the group of people. Since each group is different in terms of creating revenue for the hotel, the value of concessions is considerably different. Examples of concessions could include: use of fitness center, percentage discount of the food and beverage bill, transportation, Presidential Suite, etc. Making a list ahead of time could be useful; what you must have and what you would like to have. Determine the value and go into negotiations knowing where you can draw the line between what is acceptable and what is not. Consider working with two or more hotels and driving down the meeting expenses by negotiating.
- When ordering food and beverage, typically the unit pricing does not include sales or service tax or gratuity or service charge. When planning your budget, take these additional expenses into account. Banquet Event Orders (BEOs) represent the written document to communicate orders, event timing, audio visual needs and room arrangement.
- Generally, food and beverage minimum guarantees (the number of anticipated guests) is due to the hotel catering representative 48-72 hours prior to the function.. Ask the department representative about the consequences of not meeting the guarantee. In other words, how much flexibility do they have? Ask by what percent they will set the room (e.g. 5%) to help you manage on site attendee registration.
- When placing a 24 hold on meeting space that your group will use, whether it be for registration or exhibits, communicate with the hotel to determine if they are going to be hosting any other event(s) before, during and after your event. This is important for many reasons, especially if you want the room area to be undisturbed or secure overnight.

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