

Connect DIVERSITY

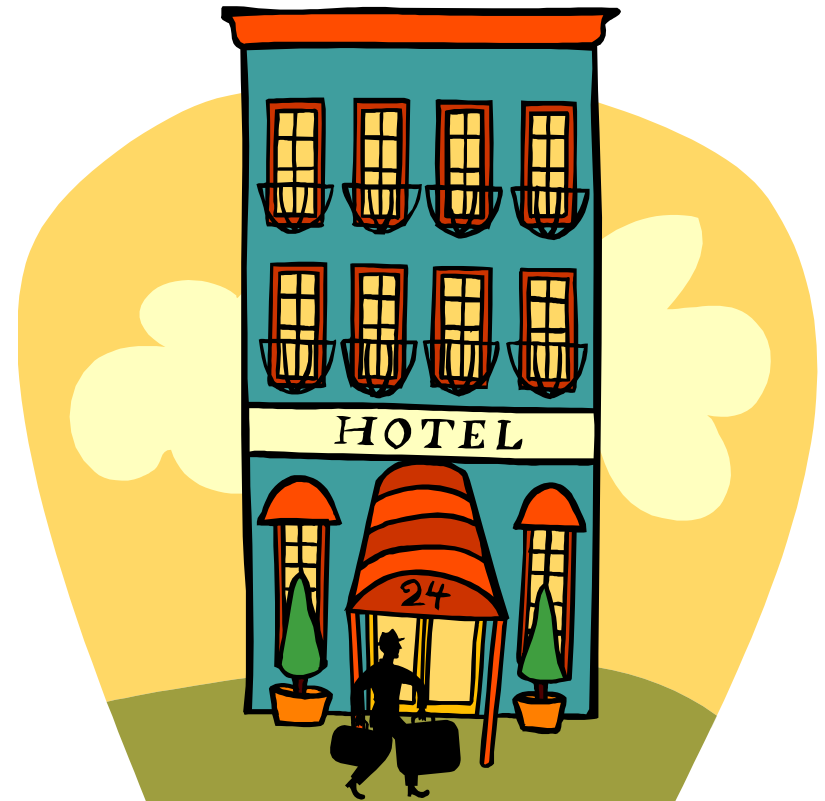
Hotel Contracts...

“From the Hotel Side”

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Hotels Contracts Confirm....

- Dates, Rates and Space clearly and accurately
- Reservation Procedures
- Negotiated Concessions
- Payment and Billing
- Attrition and Cancellation



Dates, Rates and Space

- Day / Dates / Times, Contacts, ALL Accurate and clear, NO TBD's
- All Rates: Room Rate, Rentals, Comps, Parking, all Fees outlined and clear
- All Meeting Space: days, dates, room set-ups, turn-times, meals, breaks scheduled accurately
- Your Sales Manager may not be there when your group actualizes, so the contract must be clear.



Reservations Items:



- Reservation Method: Individual, Rooming List, Passkey
- Rooming List Due date-Cut-off
- Room Block Review Date: 10% or 20%, 3 to 6 months prior to Cut-off, not Event Day.
- Rooms received after Cut-off should be based on room availability at the Group Rate
- Rates available 3 days pre- and post-meeting dates, space available, credited towards pick-up



Contracted Concessions

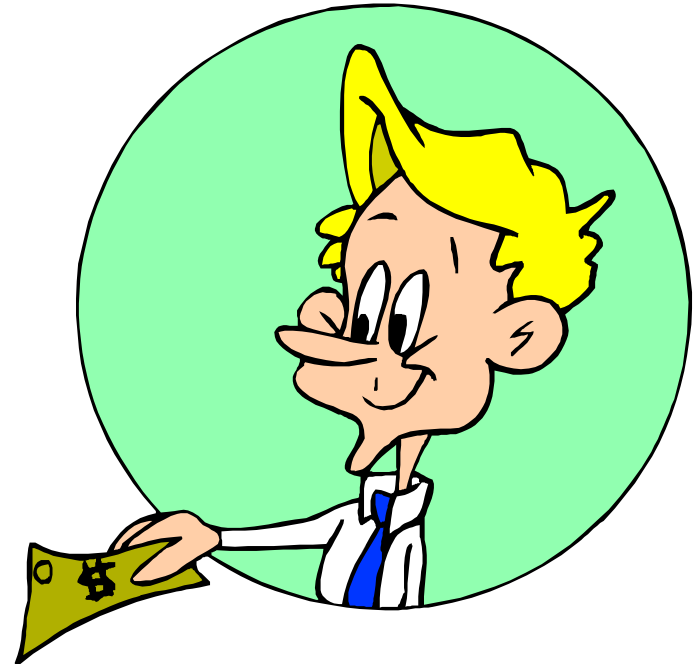
After the Room Block and Rate information, Concessions are next. Bullet-point format, include comps, upgrades, VIP's, meeting space, so everything is easily found and confirmed.

- Sample Concessions:

- 1 per 40 comp room credit, calculated on a cumulative basis;
- Three upgrades to Suites at the Group Rate for the duration of the conference;
- One (1) two-bedroom VIP suite complimentary for the duration of the conference;
- Complimentary wireless internet in all guest rooms;
- Complimentary wireless internet in all meeting rooms;
- Complimentary meeting space, based on room pick-up; (or F&B minimum)
- Complimentary Health Club Fitness Center for all attendees
- 10 - 20% off AV equipment
- 10 - 20% off Catered F&B (Or current menu prices GTD for future year event)
- Guest rooms will be accepted at group rate based on space availability
- Group rate extended three days pre and post the event, based on availability and will be credited for pick-up.
- Hotel to host a one-hour wine and cheese reception, including chef's selection of hot and cold hors d'oeuvres

Payment and Billing

- Billing: Master Account:
 - All Charges to Master
 - M/A Room & Tax, Ind. Incidentals
 - GTD to corp; Individual Payment at check-in
 - Master Account Catering, Specified Staff Charges, per Rooming List
- Master Account Payment:
 - Pre-payment / Payment;
Credit Card Authorization;
Credit Application Form
- Special Forms: Purchase Orders,
October 2018 W-9, Separate Invoice for every deposit due



Contracts are Fun, But What Happens "IF" Things Go Wrong?

BIG THREE LEAST FUN TOPICS IN PLANNING!

- Attrition
- Cancellation
- Performance Penalties
- NOTE: There are NO penalties in a Contract; fees are based on Damages
- Damages are calculated based on Anticipated Profit, Not Retail Revenue





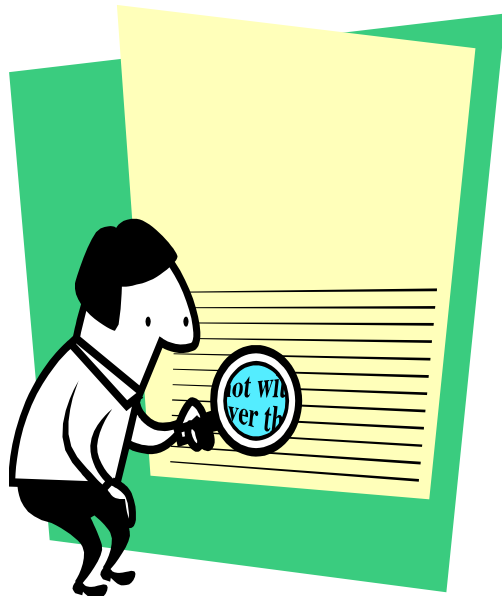
Attrition and Cancellation....

Both Hotels and Planners HATE this topic!

- Book a group when you're sure it is happening!
- Tell the hotel if it's a continuing education block or a promotional block; ask for a Courtesy or "No Attrition" block.
- Contract an extended decision date, if you're not sure;
- Contracts should have a sliding scale of cancellation dates:
- No CXL Fee if cancelled within 30 days of signature;
- The CXL Fee increases as the cancellation date approaches the event date.

Contracting Rooms

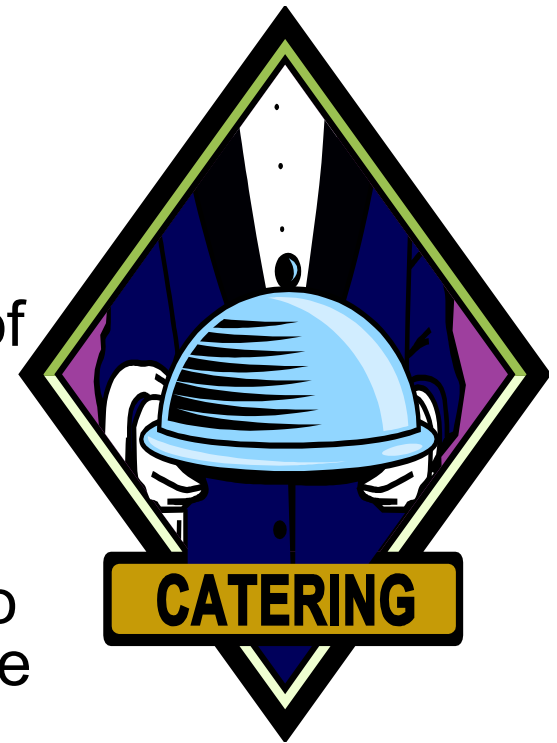
Minimums and Attrition



- Negotiate and contract Rooms minimum at 80% of the block.
- Whenever possible, any attrition or cancellation penalty based on Rooms profit, of 80%, Not Retail.
- Contract a Resell clause, so the hotel can re-sell the released space, and you'll pay for what was not sold;
- Contract a Re-book clause, so any Cancellation or Attrition fees are applied 100% to your next contracted date;
- Determine whether cancellation is taxable -- ask to see the tax code covering cancellation fees.

F&B Minimums and Attrition

- Base the F&B minimum on your selected menu, not on the “Average Check” assigned by the hotel.
- Contract the minimum at @ 80% of your anticipated spend.
- Contract to pay the anticipated profit of the Catered F&B, at 40%, not retail.
- Have Hospitality and ICW catering applied to the minimum
- Negotiate tax and service charge; if no staff was scheduled, why pay a service charge?





Re-Sell Clause?

- Most hotels have a version of this in their contracts; they typically don't offer it, but will add it if requested; make sure it is in your contract.
- If you are liable for a cancellation, ask for the hotel's Daily Report or Flash Report for those days. Ask the hotel to compare it to their Annual Forecast for the cancelled days, to see if they were actually affected.
- Pay for the difference between the estimated revenue and the forecasted revenue @ anticipated Rooms profit of 80%, not the 100% retail.



Re-book Clause?

- If you re-book the same meeting within 6-12 months of the cancelled dates, you should have the cancellation fee applied as a pre-payment for the new dates.
- Ask for 100% (The “entire” amount) of the prepayment to be applied, sometimes you’ll get it, and others may be 25%, 50% or 75%.
- Again, make sure it is clearly spelled out in the contract, before anyone signs anything!
- Make sure everyone signs and counter-signs everything....



Attrition Clause Samples

- ATTRITION

- This Agreement is based on Group's use of the guestroom block as outlined above. However, thirty (30) days or more, prior to the first day of arrival, Group may reduce its guestroom block by a maximum of 10% cumulative. Thereafter, Group shall pay Hotel one night's guestroom rate and tax for each unused guestroom night based on the guestroom night commitment or the adjusted guestroom night commitment. *No payment shall be due, however, for any night during the Group stay in which the Rooms Revenue meets or exceeds the Rooms Revenue as forecasted in the hotel's Annual Budget.*

- RE-BOOK CONSIDERATION

- In the event any attrition charges are posted to the Master Account for the above group, the *entire amount* will be applied as a credit towards any rebooking of this group within 12 months following the departure of this contracted event.

Ready to Sign the Contract?



- NOT YET!! Double-check everything!
- Contact Info, page and clause numbers
- Make any changes before you sign the final contract; once it's signed, it's done.
- Request a Word Document with Changes Tracked– make the edits clearly.
- “Line-outs” are legal– date and initial any changes; hotel to counter-initial changes; (ideally, initial & counter-initial each page)
- For major changes, request a re-write;
- Sign, date and scan or fax-return the contract, have the hotel send you a countersigned copy.
- **And, as always....**



Call me if I can help!

...Thank You!

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*" And still those voices are calling from far away,
Wake you up in the middle of the night, just to hear them say,
Welcome to the Hotel California."
-- The Eagles, Hotel California, 1979*

LET US KNOW HOW WE DID!

Evaluation forms will be distributed at the end of the session.

#ConnectDiversity

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 **connectassociation**

 **Connect Corporate**

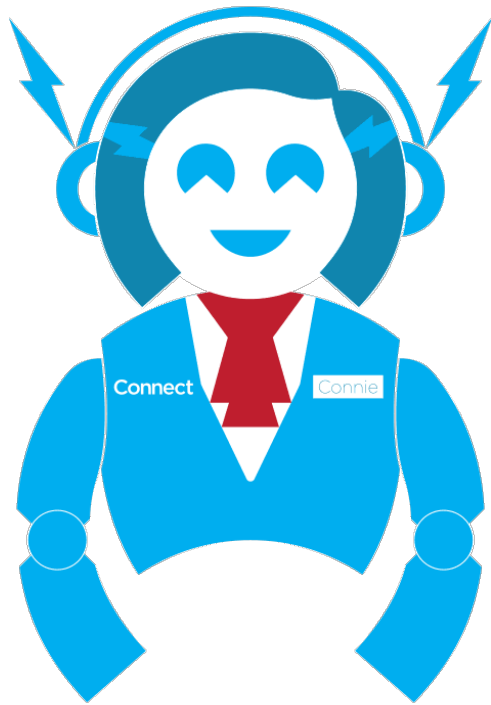
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Contact the speaker: @XXXX

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