

RFP/Contract Negotiation Tips

1. When developing an RFP for a hotel, remember that your total meeting package – hotel rooms requested, meeting space needed, food and beverage events – is viewed by the hotel as a revenue package to evaluate the attractiveness of your meeting against their revenue goals.
2. Know your audience and meeting goals and match them when seeking a venue. Determining this at the outset is easier than resending an RFP multiple times.
3. Having accurate history of your meetings overall spend is a powerful negotiation tool. Meetings with strong history and spend are seen as 'good business'.
4. For smaller meetings (10-100 people), obtaining complimentary use of meeting space may be easier to negotiate if you agree to spend a minimum amount on food and beverages for the meeting.
5. For larger meetings (100 people and over), obtaining complimentary use of meeting space should be the norm as long as you plan to use the hotel's banquet services during all or part of your meeting.
6. When contracting for a guest room block, the hotel is taking a risk holding your anticipated number of rooms from their total inventory for you. For this risk, they are going to allow you to 'slip' only a small percentage from your original estimate before you will be liable to pay for the remaining unused rooms.
7. A new standard in many hotel contracts is a requirement for the meeting organizer to spend a minimum amount on food and beverage with the hotel's banquet department. Ensure you have a full understanding if the 'minimum requirement' is inclusive or exclusive of the banquet taxes and service charges as this will make a difference in how you budget.
8. Every hotel contract should contain some basic clauses - "Overbooking", "Construction/Remodeling", "Indemnification & Hold Harmless", "Force Majeure or Rights of Termination for Cause" are the main ones you want to have included.
9. Most hotels will ask you for 50% of the total anticipated master account charges as a deposit upon contract signing with the balance to be paid upon departure. This is typical but can be negotiated.
10. If anything looks or feels strange in the negotiation process or on the contract, always consult a professional for advice. A professional meetings consultant or legal professional can save you time and money when matters become complex.



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