



# **Hotel and Event Venue Contracting Best Practices**

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The bullets below are designed to aid you in contracting with hotels or other venues when planning events for ITE districts, sections, and chapters. While most venues have boiler plate language in their contracts (i.e. Relocation & Reservation Method). However, there are some nuances, and at times only benefit the venue while leaving you exposed. Though some employ 3<sup>rd</sup> party contractors to source and negotiate on your behalf, you should go into each contract phase armed with a few key notes.

- Ask the venue if they are operating under a DBA if the DBA is not listed on the contract. Your agreement is with the owners of the property, not the property itself. This way, you are protected should the hotel be sold to another entity.
- Ensure your concessions and attrition are offered based on 70% CUMULATIVE pickup, as opposed to nightly pickup. Should you have a group that stays two or more nights, cumulative pickup allows overall attrition. But nightly means that you could be penalized if you don't pick up your rooms on any single night, no matter how well you might be doing other nights.
- Ask for complimentary meeting space based on your F&B minimum, as opposed to a reduced rental fee.
- Be mindful of the language in the damage to function space clause. Often, they'll read that you are liable for all damages in the space you are using...period. While it is true that you are liable for what your group does in the space you lease, you AREN'T liable for damage caused by an employee of the hotel or their contractors. Further, given that hotel venues are semi-public establishments, they are open to vandalism by third parties completely unassociated with said hotel. The contract should spell this out.
- Indemnification should always be mutual. Some contracts have this written as one-sided, pay extra attention to this!
- When you agree to a food and beverage minimum, be aware that this does not include service charges and taxes. When looking at your spend history, you can assume that 30% of that has gone to such.
- There is no such thing as a 100% non-refundable deposit; don't agree to this. Should you have to cancel, say for force majeure, you are entitled to whatever you have paid, less what the hotel has had to spend on banquet ingredients, resources, etc. Also, should a venue be acquired by a different company or be rebranded, your contract will become null. You want that money back!
- Most contracts will protect the venue when YOU cancel, but conveniently omit what they are prepared to do if they cancel on you. There should be mutual cause-and-effect for cancellation.
- No one has a crystal ball, and since companies acquire each other all the time, it is important to note that the in-house AV provider may not be 2 years from signing. Any agreements you have with the in-house AV provider should be

called just that. Secondly, see if the in-house AV provider will incentivize you to use their services, as opposed to bringing in a 3rd party.