



**UNITE** **HERE!**

**Meeting Planner Resource Manual**

**Independent Advice  
on Meeting Planning  
from Hotel Employees  
and Their Union**

**December 2005**

# Introduction

As most meeting professionals know, hotels negotiate thousands of reservations in a given year, while some meeting professionals negotiate only one. While it's true that meeting professionals are experts in the logistics of convention and meeting planning, some may not be as well versed in contract language.

We have found that as a result, some meeting professionals wind up signing form reservation agreements provided by the Hotel. Form reservation agreements often contain one-sided cancellation and force majeure clauses, attrition charges that do not reasonably approximate the hotel's potential damages, and dispute resolution clauses that make challenging the reservation agreement a risky affair. (Examples of such clauses appear throughout this Resource Manual.)

This Resource Manual contains negotiating tips and model reservation agreement language designed to avoid common pitfalls and to provide meeting professionals with tools to protect the businesses and associations that they represent. The Resource Manual draws on UNITE HERE's many decades of experience in the hotel and convention industry to offer sound alternatives to hotels' form reservation agreements, particularly in areas where labor disputes could become an issue.

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## Did you know?

In 2006, contracts between hotel employers and UNITE HERE expire in some of the nation's largest convention markets. On the chart below, you'll find a list of cities where contracts are expiring, the individual city expiration dates, as well as the number of hotels that will be affected during the expirations in each city:

| City            | Number of Affected Hotels* | Contract Expirations |
|-----------------|----------------------------|----------------------|
| New York        | 105                        | 6/30/2006            |
| Chicago         | 26                         | 8/31/2006            |
| Toronto         | 26                         | 1/31/2006            |
| Los Angeles     | 18                         | 4/2006-11/2006       |
| Boston          | 15                         | 11/30/2006           |
| Hawaii          | 11                         | 6/30/2006            |
| San Francisco** | 13                         | Expired              |

\*Approximate - numbers subject to change

\*\*San Francisco hotel employers' citywide contract with UNITE HERE expired in August of 2004. Currently, there are 13 San Francisco hotels that are under boycott. They are the Argent, Crowne Plaza Union Square, Fairmont San Francisco, Four Seasons San Francisco, Grand Hyatt, Hilton, Holiday Inn Civic Center, Holiday Inn Express, Holiday Inn Fisherman's Wharf, Hyatt Regency San Francisco, Mark Hopkins, Omni San Francisco and the Palace. Additionally, the Marriott San Francisco's contract will expire on August 14, 2006.

### IMPORTANT NOTICE

This Resource Manual provides general information about the law. The information provided herein may not be applicable to all situations. Readers should consult their own attorneys before relying on the representations found herein.



# Knowledge is Power

## Contract Negotiations

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Negotiating with hotels can be tricky business—we should know; UNITE HERE bargains with hotels on a regular basis! The following common-sense tips can be helpful to planners when negotiating a reservation agreement.

### **Know the value of the Group's business:**

- Keep a detailed record of past and future meeting and convention business, because the hotels know this information when bargaining with you.
- Be specific about the amount of revenue that these events generated.
- Create a detailed summary after each event (food & beverage expenditures, expenditures by delegates outside of the hotel, etc.)

### **Understand the Hotel's leverage:**

- What are the prevailing occupancy rates in the market?

- Are they expected to change prior to the meeting?
- Is the meeting scheduled for the peak season, off-season?
- What are the comparable union hotels in the same market?

### **Research the going rack rates:**

- The published rack rates will give you a basis from which to negotiate.

### **Get all information up front:**

- Does the group room rate include taxes?
- Are cancellation and attrition fees taxed in the Hotel's jurisdiction?
- Do complimentary rooms count toward attrition rates?

Use the checklist provided at the end of this Manual and demand that all topics be negotiated and included in the reservation agreement.

# Only Half A Contract

## Form Reservation Agreements

*The Religious Conference Manager* (August 2002) reports that a “new kind of contract is shooting holes in the way business is being done between meeting planners and hotels. ‘Bulletproof contracts,’ tightly written, highly definitive contracts, are heavily weighted toward hotels and are growing increasingly common.”

In other words, a Group that signs a Hotel’s reservation agreement is signing only half a contract - the Hotel’s half! For example, form reservation agreements often:

- Protect the Hotel but not the Group against the danger of unforeseen events;
- Base cancellation fees on lost revenues rather than lost profits;
- Contain one-sided cost-shifting provisions in the case of litigation.


Meeting professionals should be prepared to negotiate over the terms of the reservation agreement and to demand that all changes be reflected in the final contract.

### Negotiating Changes to Form Agreements

Negotiated changes to the Hotel’s form reservation agreement can take one of several forms:

#### INTERLINEATION


If the Hotel’s form reservation agreement is generally adequate and only a few changes are necessary, lining out unwanted provisions and adding new ones can be done directly on the form agreement. Make sure that both parties initial any changes in the form agreement and that the final agreement contains a clause stating:

 Any changes, additions, stipulations or deletions including corrective lining out by either Hotel or [your Group] will be considered agreed to and binding on the other when such modifications have been initialed or otherwise approved in writing by the other.

#### ADDENDUM


If the Hotel’s form agreement is inadequate in significant ways—for example, if entire clauses need to be replaced—you should offer the Hotel an addendum with the Group’s own contract language. The advantage of an addendum is that it gives the Group control over the contents of the reservation agreement.

Addendums should include a clause making clear that the provisions of the addendum override those of the form agreement. For example:

 If any provision of this addendum conflicts with the form agreement supplied by Hotel between Hotel and [your Group] for [your event], the provision of this addendum shall prevail.

Where possible in the addendum, make clear where a conflict between the addendum and the form agreement exists, and state that the addendum controls.

For example, if the Group and the Hotel agree to replace the Hotel’s “Force Majeure” clause with the Group’s clause, then begin the new clause in the addendum with the words:

 Strike Section \_\_\_\_\_ (“Force Majeure”) and substitute the following:

Also, make sure that both parties sign and date the addendum.

### Get It In Writing!

In negotiating any contract it is crucial to get every detail in writing. Oral modifications to written contracts are disfavored under the law. In any case, if a dispute arises over an oral modification to the agreement, it will be the Group’s word against the Hotel’s. Therefore, the more details in writing, the better.

# Excused Non-Performance Clauses

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Negotiating a reservation agreement that provides protection and flexibility in the case of a labor dispute is key to planning a successful event.

Most reservation contracts contain a clause called “Force Majeure”, “Impossibility” or “Excused Non-Performance.” The purpose of such a clause is to excuse one or both of the parties from their responsibilities under the agreement if events beyond their control arise that make it difficult or impossible to carry out their obligations.

Form reservation agreements generally include a force majeure clause that limits the grounds for excused non-performance to a standard set of events and sets the bar high in terms of proving the impossibility or difficulty of performance. Here is a typical force majeure clause:

The performance of this Agreement by either party is subject to Acts of God, government authority, disaster, or other emergencies, any of which make it illegal or impossible to provide the facilities and/or services for your meeting. It is provided that this Agreement may be terminated for any one or more of such reasons by written notice from one party to the other without liability.


This force majeure clause may be inadequate. Notice that the clause limits the types of events that justify cancellation and does not specifically mention labor disputes, strikes or lockouts. Notice also that the clause requires that the force majeure event make it “impossible” or “illegal” to provide the hotel facilities for the event - a high standard to meet.

Instead of relying on the Hotel’s form reservation force majeure clause, negotiate notification and excused non-performance clauses that address the issue of labor disputes directly and offer protection in the event that a labor dispute does occur.

## Notification Language

Often, groups are unaware that there is a labor dispute at their convention hotel until they have arrived at their destination.

The most recent information on hotel labor disputes is always available at [www.hotellaboradvisor.com](http://www.hotellaboradvisor.com). In addition, consider including a clause in the reservation agreement requiring the Hotel to provide notification when the Hotel becomes aware of a labor dispute. Here is a model clause:


 **NOTIFICATION OF LABOR DISPUTE.** The Hotel agrees to notify [your Group] in writing within ten (10) days after it becomes aware of any labor relations dispute involving Hotel and its employees including, but not limited to, union picketing, the filing of an Unfair Labor Practice charge by a union, the expiration of a negotiated labor contract, an existing or impending strike or lockout or any other matter which could reasonably be construed as a labor-management relations dispute.

## EXCUSED NON-PERFORMANCE CLAUSE

All Groups should insist on an Excused Non-Performance clause that will offer adequate protection in the event of a labor dispute. Two models clauses follow.

### Inclusive Non-Performance Clause

The first model builds protection against the possibility of a labor dispute into the standard clause.


 **EXCUSED NON-PERFORMANCE.** If either Hotel or [your Group] is prevented from or delayed in performing any act required of it hereunder and such prevention or delay is caused by disruption due to construction activities, strikes, labor disputes, Acts of God, government restrictions, judicial orders, fire or other casualty, civil commotion, or causes beyond its reasonable control, or if performance hereunder would foreseeably involve either party in or subject it to the effects of a labor dispute and the party therefore withholds or delays performance, it shall have no liability there from. This agreement shall be construed and enforced in accordance with the laws of the State of [Group’s home state here].

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This model clause recognizes a labor dispute as an event excusing performance and allows the Group to cancel without liability in the event of a labor dispute that would affect the Group's event. This model clause should be included in all reservation agreements.

### **Separate Clause on Labor Disputes**

A second model addresses labor disputes in a separate clause, in addition to a standard "Excused Non-Performance" clause shown above. The following clause allows for cancellation in case of a labor dispute:

 **CANCELLATION OF COMMITMENT.** Notwithstanding anything in the Agreement to the contrary, if within two (2) weeks prior to the commencement of, or at any time during, the event, the Hotel is being picketed or is involved in a labor dispute, [Group] may cancel this commitment by giving written notice of cancellation to the Hotel. In the event of such cancellation, neither [Group] or its members shall have any future obligation under this Agreement, and any deposits or other payments made to the Hotel by [Group] or its members to reserve rooms or other space for use, and/or for services to be provided, shall promptly be refunded to [Group] or its members. This Section shall supersede all other provisions of this Agreement.

This clause provides added protection to the Group in the case of labor picketing or a labor dispute affecting the Hotel.

#### **WHAT TO AVOID:**

As noted above, some standard force majeure clauses do not offer adequate protection from dis-

ruptions and attendee cancellations due to a labor dispute.

But the force majeure clauses contained in form reservation agreements often present other problems. Recognizing and avoiding these problem clauses is crucial to protecting the Group's flexibility in the case of an unforeseen event. Also, the Hotel's inclusion of a clearly one-sided and unfair clause in their form agreement can be used to the Group's advantage in winning acceptance of its preferred clause—the Hotel can be shamed into accepting the clause!

### **Force majeure clauses that only protect the Hotel**

Here's an example:

**ACTS OF GOD.** The Hotel is excused from performance of the contract, at the Hotel's option, and obligation to patron for damages if the performance of the Hotel is prevented, substantially interfered with or rendered significantly more difficult due to labor troubles, disputes or strikes; government regulations; utility shortages or restrictions upon travel, transportation, foods, beverages or supplies; acts of God; and any other cause whether specifically enumerated herein or not, beyond the control of the Hotel which would prevent or substantially interfere with the Hotel's performance.

Under this clause, only the Hotel is protected against unforeseen events. And the Hotel can cancel the contract without any liability to the Group if "any cause" renders it "substantially more difficult" for the Hotel to host the event!

# Limiting Your Downside Cancellation Clauses

Cancellation clauses describe the penalties that the Hotel and/or the Group will face if they cancel or otherwise violate the reservation agreement. Cancellation clauses generally include a provision requiring the group to pay “liquidated damages” in the event of cancellation.

Most hotels will insist on cancellation clauses for all but the smallest of events. It is the planner’s goal is to negotiate a cancellation clause that is acceptable to the Hotel but that doesn’t unfairly penalize the Group for cancellation. In doing this, it’s important to keep several principles in mind.


*Liquidated Damages:* Under the law, “liquidated damages” must represent a reasonable estimate of the damages that the Hotel would suffer in the event the Group cancels its event. If the liquidated damages clause sets an unreasonably large liquidated damages amount, then it is an unenforceable penalty clause. Most cancellation clauses in form reservation agreements set unreasonably high liquidated damages for group cancellation. Often, the form agreements calculate liquidated damages by multiplying total room nights by the room rate. This calculation yields the hotel’s total expected revenues. But the Hotel can’t expect to make 100% profit on those revenues - it has to factor in pay for its workers, laundry and other expenses.

*Mitigation:* If it is able to rebook the rooms that aren’t filled because of a cancellation, then the Hotel has suffered no damages. That’s the basic idea behind mitigation. There are two ways in which the concept of mitigation can be built into the cancellation clause. First, cancellation fee formulas should take into account when the cancellation occurs. Clearly the Hotel will have more difficulty re-booking rooms and function space if the Group cancels one day prior to the scheduled event than if the Group cancels ten months before the event. The cancellation fee formula

should reflect this fact. Second, if the Hotel does, in fact, re-book the rooms after cancellation, the total liquidated damages due should be reduced accordingly.

*Hotel Cancellation:* Rarely does a Hotel’s form reservation agreement provide protection to the Group if the Hotel cancels. But requiring the Hotel to pay damages or make alternative arrangements if it is unable to follow through on its commitment is only fair.

Here is a basic, model cancellation clause:

 **CANCELLATION.** This Agreement may be cancelled by mutual written agreement at any time. In the event of cancellation by [Group] for a reason not set forth in [reference the “Excused Non-Performance” or “Force Majeure” and/or “Cancellation of Commitment” clause(s)], [Group] shall owe liquidated damages to Hotel as set forth below:

|                                       |                               |
|---------------------------------------|-------------------------------|
| More than one year prior to Event     | No damages due                |
| Six months to one year prior to Event | 50% of estimated lost profits |
| Six months or less prior to Event     | 75% of estimated lost profits |

Estimated lost profits shall be calculated as follows: (room nights [- re-sold rooms nights] x group room rate) x 60% + (minimum banquet revenues x 25%). Hotel agrees to make all reasonable efforts to resell cancelled rooms. Resold rooms shall be credited against any liquidated damages owed by [your Group] as set forth in the estimated profits formula above. Liquidated damages, if any, shall be payable 30 days after the final scheduled day of the Event, provided that Hotel submits to [Group] adequate proof of its efforts to mitigate damages. [Group] shall not owe any liquidated damages if Hotel meets or exceeds its average occupancy level over the preceding two years of [state average occupancy level] for the dates of [Group’s] event.

The dates chosen for purposes of this model can be changed, of course, to suit the Group’s particular event. For example, if its event is relatively small, the Group can convincingly argue that the Hotel should not have difficulty re-booking the room block within even a few months of the event.



# A Battle of Attrition

## Performance Clauses

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As all planners know, most reservation agreements contain an “attrition” or “performance” clause designed to protect the Hotel against revenue losses when reservations fall short of expectations.

### Room Block Attrition


Hotels are increasingly negotiating tough attrition clauses and enforcing them when groups do not fill their reserved room blocks. The Convention Industry Council reports that between 1998 and 2002/2003, the percentage of groups that had attrition fees assessed against them increased from 4% to 29%! Convention Industry Council, Project Attrition (2004).

Like cancellation clauses, attrition clauses generally contain a liquidated damages provision, making the Group liable if actual reservations at the time of the event fall below a specified percentage of the reservation room block negotiated in the reservation agreement.

A good attrition clause should have all of the following attributes:

- As with cancellation fees, any liquidated damages owed for attrition should be based on lost profits, not on lost revenues.
- Attrition clause liquidated damages should be reduced for resold rooms.
- Calculation of attrition should be cumulative, not nightly. If the Group fills the room block in excess of the attrition percentage one night, then this excess should be credited towards nights when the attrition percentage was not met.
- The Group should not be responsible for attrition caused by any of the factors listed in the “Excused Non-Performance” clause.
- The attrition clause should provide for a post-event audit, and should specify that Groups only make their payment of any liquidated damages contingent on receiving such an audit.
- The attrition clause should not provide for multiple penalties (for example, attrition fees on unfilled rooms coupled with fees for unused meeting space).

Here is a model attrition clause incorporating all of these features:

 **ATTRITION.** If [Group’s] actual room usage is less than 50% of the Room Night Commitment of [total room block], calculated on a cumulative basis, [Group] agrees to pay liquidated damages to Hotel as follows:  
(50% of Room Night Commitment - # room nights used [- re-sold rooms nights]) x average group room rate) x 60% profit and overhead  
Hotel agrees to make all reasonable efforts to re-sell unfilled rooms. Re-sold rooms shall be credited against any liquidated damages owed by [your Group] as set forth in the liquidated damages formula above.  
Liquidated damages, if any, shall be payable 30 days after the final scheduled day of the Event, provided that Hotel submits to [Group] adequate proof of its efforts to mitigate damages and occupancy reports for each day of the Event detailing the total number and types of rooms picked up and when such rooms were picked up.  
[Group] shall not owe any liquidated damages if Hotel meets or exceeds its average occupancy level over the preceding two years of [state average occupancy level] for the dates of [Group’s] event.  
[Group] shall not owe any liquidated damages if more than 20% of meeting attendees/guests were prevented from or delayed in attending by any of the events described in the [“Excused Non-Performance” or “Force Majeure” clause].

### Food and Beverage Performance Clauses

Any food and beverage performance clause should be separate from the room block performance clause.

Remember, Hotels generally only expect 20-30% profit and overhead on food and beverage revenues, and any performance clause should reflect this fact. Many form agreements allow the Hotel to recover 100% of revenues below the quoted food and beverage minimum. For example:

**FOOD AND BEVERAGE GUARANTEE.**


Based on the meeting space confirmed under Program, the Group agrees to provide the Hotel with a minimum guarantee of \$10,000.00 for banquet food and beverage revenue exclusive of service and taxes. In the event the Group does not meet the minimum guarantee, the Hotel will assess a meeting room rental charge at 100% of the total dollar amount that the Group falls below the guarantee.

Note two problems with this performance clause. First, the Hotel can only expect 25% profit and overhead on food and beverage service. Yet, the clause provides for 100% recovery of revenues below the \$10,000.00 minimum. Second, the clause labels this recovery a “meeting room rental charge” - adding to the lack of transparency in the performance clause.

Instead, any food and beverage clause should have the following features:

- As with cancellation fees, any liquidated damages on food and beverage service should be based on lost profits, not on lost revenues.
- The clause should state specific, guaranteed prices on banquet service (i.e. continental breakfast, coffee break, box lunch, plated lunch, plated dinner) on a per person basis. If negotiations are taking place far in advance of the event dates, then the clause should specify a date on which the Hotel will guarantee banquet prices and/or specify a formula on which prices will be set.
- The clause should specify whether banquet prices and any minimum food and beverage revenue are exclusive of taxes and service, and specify all federal, state and local tax rates.

Here is a model clause:

 **BANQUET PERFORMANCE CLAUSE** [Group] agrees to provide the Hotel with a minimum guarantee of \$\_\_\_\_\_ in banquet food and beverage revenue. This minimum guarantee is exclusive of taxes and service, which are currently [state applicable taxes and service].

[Hotel] guarantees the following prices for banquet meals:

|                                |                   |
|--------------------------------|-------------------|
| [Continental breakfast         | \$___ per person  |
| Coffee and Bagels only         | \$___ per person  |
| Coffee Break                   | \$___ per person  |
| Coffee Break (p.m. with snack) | \$___ per person  |
| Brunch                         | \$___ per person  |
| Box Lunch                      | \$___ per person  |
| Plated Lunch                   | \$___ per person  |
| Plated Dinner                  | \$___ per person] |

[OR] [Hotel] agrees to provide [Group] with guaranteed prices for banquet meals six months prior to the first day of the event.

In the event that banquet food and beverage revenues fall below the minimum guarantee, [Group] agrees to pay [Hotel] liquidated damages under the following formula:

(Minimum Guaranteed Banquet Food and Beverage Revenues – Actual Food and Beverage Revenues) x 25% profit and overhead

Liquidated damages, if any, shall be payable 30 days after the final scheduled day of the Event.

# Dispute Resolution Clauses

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Form reservation agreements often contain provisions limiting the Group’s right to challenge its liability under the reservation agreement. As a matter of course, such “dispute resolution clauses” protect the Hotel, but not the Group. Here is an example:

ARBITRATION/DISPUTE RESOLUTION/ATTORNEY’S FEES. Any controversy, claim or dispute arising out of or relating to this Agreement, shall at the option of the Hotel be settled through non-binding mediation or binding arbitration conducted in accordance with the rules of the American Arbitration Association or through an action brought in any court of competent jurisdiction in the State in which the Hotel is located.... In connection with any such litigation, including appellate proceedings, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs. In addition, Group shall be responsible for payment of attorneys’ fees and interest associated with the Hotel’s efforts to collect monies owed under the terms of this Agreement.

Under this clause, the Hotel is given the exclusive right to decide what forum—judicial court or arbitration—resolution of any dispute over the reservation agreement will be made. Even worse, the clause provides that the Group must pay any

attorneys’ fees associated with the Hotel’s collection of cancellation or attrition fees owed under the agreement.

Most Groups are better served by omitting a dispute resolution clause altogether. If the Hotel insists on such a clause, however, the Group should consider the following:

- **Forum:** Carefully consider whether the Group should waive its right to a jury trial and agree to binding arbitration of disputes arising from the reservation agreement. Arbitration does have certain advantages: it is often less expensive and more expedient than resort to judicial courts. However, many of the procedural safeguards of judicial courts are not guaranteed in arbitration.
- **Prevailing Party Attorneys’ Fees:** Prevailing party attorneys’ fees provisions raise the stakes in any dispute with the Hotel. Often attorneys’ fees can be almost as great as the amount in dispute. All but the largest and most financially able Groups should insist that such a clause be omitted.
- **Collection Expenses:** If a dispute resolution clause is included in the reservation agreement, the Group should not agree to any clause that allows the Hotel to recover attorneys’ fees associated with seeking collection of cancellation or attrition fees.

# Other Important Contract Provisions

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Of course, reservation agreements contain a multitude of provisions other than those described in detail above. This section highlights a number of other important reservation agreement clauses.

**Deposits:** Reservation agreements that contain cancellation and attrition fee provisions should not require an additional deposit. If the Hotel insists on a deposit, the Group should demand that the deposit be placed in an interest-bearing account.

**Complimentary rooms:** Complimentary rooms are a regular part of reservation agreements. Many form reservation agreements provide that “comps” may only be used during the event and have no cash value. However, the Group should negotiate for complimentary rooms to be applied against any cancellation fees owed. Also, the reservation agreement should provide that complimentary rooms count toward the Group’s room block for attrition purposes.

**Room rates:** For events booked less than a year out, the reservation agreement should state specific group room rates. For events booked more than a year out, the reservation agreements should include

either specific group room rates or one of the following formulas for calculating the group room rate: (1) a negotiated percentage off the rack rate at the time of the event; (2) the current group room rate plus a negotiated increase; (3) the current group room rate adjusted for inflation. Be sure that the reservation agreement specifies what room rate formula will be used.

**Indemnification:** Indemnification and “hold harmless” clauses should always be mutual. Do not accept a clause stating that the Group will indemnify and hold the Hotel harmless for any losses or damages resulting from the negligence or intentional misconduct of the Group without a reciprocal clause stating that the Hotel will do the same.

**Construction and Remodeling:** Groups that are booking far in advance should consider a clause in which the Hotel agrees that the Hotel premises will be in the same or better condition at the time of the Group’s meeting. This clause should also provide for liquidated damages if the Hotel facilities are under construction or are substantively altered at the time of the meeting.



# Conclusion

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Of course, a successful meeting or conference requires much more than a well-negotiated contract. But without a well-negotiated contract, the chances of unexpected events ruining a well-planned meeting are simply too high.

As was mentioned in the introduction to this manual, citywide contracts between hotel employers and UNITE HERE! members will expire in at least six major convention markets in 2006. Whether you are planning a meeting in one of these cities in 2006 or not, this manual will help you to protect your Group and to negotiate the best reservation agreement possible.

UNITE HERE! members and staff have a wealth of experience in dealing and negotiating with hotels.

If you have any further questions about this manual, negotiations in any city, or have any other questions about meetings and conventions, please contact:

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# Contract Negotiation Checklist

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## Parties and Events

- Names of the contracting parties are correct.
- Name, date and location of the meeting are included.

## Guest Room Block and Rates

- Specifies the number and types (singles, doubles, suites etc.) of rooms for each night of the event.
- Includes specific group room rates or contains a formula for calculating room rates.
- Specifies whether the room rates are exclusive of taxes and, if not, states the applicable tax rate.
- Contains no language locking the Group into paying for the entire contracted block (i.e. does not state that the Group “reserves” the room block).
- Specifies any extra charges for extra persons in the room.
- Provides for complimentary rooms under a clear formula (i.e. states whether complimentary rooms are calculated on a cumulative or nightly basis). States that complimentary rooms will/will not count toward cancellation fees and/or attrition rates.
- States any cut-off date after which rooms in the block will no longer be held.

## Reservations

- Clearly states the procedure for reservations, including whether the Group, the Hotel or a third-party will be handling reservations.
- Requires the Hotel to confirm reservations within a specified amount of time.
- Requires the Hotel to provide the Group with weekly reports tracking confirmed reservations.
- Does not require a deposit on reserved rooms. If a deposit is required, clearly states the deposit policy, including the refund policy if adequate notice is given.
- Includes a relocation clause for guests whose reservations are dishonored providing for relocation to a comparable, unionized hotel.

## Payment

- Clearly provides whether individuals or the Group will be responsible for payment on rooms.
- Requires no Group deposit. If Group deposit is required, provides that the Hotel will keep the deposit in an interest-bearing account.
- Clearly states the policy for billing to the Master Account.

## Meeting and Function Space

- Specifies dates, times, set-ups and room names for all events. States any ancillary charges for meeting space and functions.
- Specifies procedure and any cut-off date for changes to the agenda. Specifies any charges for late changes.
- Allows no changes to function space assignments without the Group’s written consent.
- Specifies all equipment (AV, etc.) and any cut-off date for ordering equipment.

## Room Block Attrition

- If attrition clause must be included, allows for a reasonable amount of slippage.
- Attrition fees are based on lost profits, not lost revenue.
- Complimentary rooms are credited against slippage.
- Calculates attrition on a cumulative, rather than a nightly basis.
- Excuses attrition caused by any of the factors listed in the “Excused Non-Performance” or “Force Majeure” clause, including a labor dispute.
- Provides for a post-event audit and makes payment of any attrition fees contingent on receiving such an audit.
- Does not provide for multiple penalties (for example, attrition fees on unfilled rooms coupled with fees for unused meeting space).
- Requires Hotel to mitigate and credits resold rooms against any attrition fees.

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## Food & Beverage

- Food and beverage performance clause, if required, is separate from room block attrition clause.
- Any food and beverage performance fees are based on lost profits, not lost revenues.
- Contains guaranteed prices on all banquet services, or clear formula and date for determination of banquet prices.
- Specifies all federal, state and local taxes.

## Excused Non-Performance

- Includes a notification provision, requiring the Hotel to notify the Group of labor disputes.
- Includes one of the two model clauses in the UNITE HERE Meeting Planner Resource Manual, page 4.
- Does not contain a one-sided clause that protects only the Hotel.
- Does not contain a clause that limits excused non-performance to the inability to provide the Hotel's facilities or services.

## Cancellation

- Cancellation fees are based on lost profits, not lost revenues.
- Requires the Hotel to mitigate damages. Provides for a sliding scale of cancellation fees based on the date of cancellation. Credits resold rooms against any cancellation fees.
- Provides that any cancellation fees will be paid within a specified, reasonable period of time after the event dates (for example, 30 days).
- Does not charge interest on cancellation fees.
- Specifies whether cancellation fees are taxed in the Hotel's jurisdiction.

## Dispute Resolution

- If dispute resolution clause must be included, specifies the forum in which disputes will be heard.
- Does not contain a prevailing party attorneys' fee provision.
- Does not require the Group to pay the Hotel for attorneys' fees spent recovering attrition or cancellation fees. Alternatively, only allows recovery of attorneys' fees spent recovering attrition or cancellation fees that are undisputed.

## Americans with Disabilities Act

- Contains a clause in which the Hotel warrants that it will comply with the requirements of the Americans with Disabilities Act (ADA).
- Specifies any obligations of the Group in complying with ADA.

## Indemnification

- Includes an indemnification and hold harmless clause that is reciprocal.

## Other

- Hotel warrants that the condition of the facility will be equal to or better than the condition at the time of negotiation. Specifies liquidated damages in the event of construction or remodeling.
- Contains reciprocal warrant of the binding authority of the signatories.
- Signature block includes signatory name and title, Group and Hotel names, and date.



