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OLA Units

Contract Procedure

**OLA Bylaws 9.032 states “OLA unit officers may enter into a contractual agreement or incur vendor expense for unit activities without the approval of the OLA office.”**

With this bylaw language, the unit officers, (President/Chair, Vice President/Chair, Secretary or Treasurer), can enter into service/material contracts without OLA office approval.

It is requested that a copy of the signed contract be sent to the OLA Association Manager for archiving and general knowledge of contracts that have been entered into by OLA units.

**What to look for in contracts**1) **Impossibility/Force Majeure Clause** It is recommended that contracts written a year in advance include a Force Majeure Clause. The clause allocates the risk of loss if performance is hindered, delayed, or prevented because of an event that the parties could not have anticipated or controlled. It provides a contractual defense, the scope and effect of which will depend on the express terms of a particular contract.

Force Majeure Clause example:

“Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war or terrorism, riot, labor condition, governmental action, and Internet disturbance) that was beyond the party’s reasonable control.

2) **Guest Rooms**- Check out Guest Room Block. If room block number is not met, the site can include language that makes the shortage a responsibility of the booking organization. Watch the option dates, etc.

- Check to be sure early departures become the obligation of the guest and not the booking organization.

- Identify that individuals that attend the event will be responsible for their own room, tax and incidental charges.

3) **Event and Function Space Requirements**Detail space needed for meetings/sessions, etc. to be provided to site for availability and assurance of needed room(s).

4) **Vendor Charges**
Double check for fees that may be related to exhibitor space, if exhibitors are present at function.

5) **Food and Beverage Minimum**It is not unusual for terms of an agreement to not only be based on agreed to sleeping room commitment but the a Food and Beverage Minimum. If the minimum is not actualized in many cases the difference can be added to the Master Bill. The lower the minimum for Food and Beverage the better.

6) **Catering / Meeting Detail Timetable**Sites may include language that address timeline as it relates to final menus and program meal functions. Review whatever is provided here to be sure it meets your expectations.

7) **AV Charges, Discounts, Special concessions for large conferences (i.e. free guest rooms or upgrades per so many room nights reserved)**

AV charges can be extremely high. Not uncommon to negotiate pricing to include discounts for this service. Do ask for consideration.

8) **Special Concessions for large Conferences (i.e. free guest rooms or upgrades per so many room nights reserved)**

It is common to see special concessions for large conferences, again question what might be available for the event.

9) **Cancellation**

Review cancellation language and related timeframes for damages that may be awarded should the event be cancelled.

10) **Required Site Deposits**

Pay attention to the dates and percent of deposit that will be needed. If you are preparing a contract that will be held more than a year from now, income from this event will not be realized prior to the opening of event registration, maybe three months before. Again recommend negotiating minimal deposits up until registration monies start coming in.

It is not uncommon to see two contracts one for the guestrooms and one for the conference facility.

**Contract Assistance:**

**Should you like help to review proposed contracts, do not hesitate to contact the OLA Association Manager for that review/assistance.**