

TRAVEL MANUAL
August 9, 2001

ATTACHMENT J-3

HOTEL CONTRACT CHECKLIST

When reviewing a hotel contract there are several things that should be kept in mind. The list below gives points that need to be considered when entering into hotel contracts. The General Counsel's Office is available to review any hotel contract. If the contract appears to put unusual liability on the corporation, such as through an indemnification clause, it must be reviewed by the General Counsel's Office. You can send it to the General Counsel's Office by interoffice mail to MS-27 or by fax at 576-2243.

Company responsible for hotel contract	<p>Oak Ridge Associated Universities (ORAU), Inc.</p> <p>Any time the responsible company is referenced in the contract, it should be listed as ORAU, never as the Oak Ridge Institute for Science and Education (ORISE). ORISE is not a legal entity, and can not contract.</p>
Company Signature	<p>The hotel contract can only be signed by a person authorized to review and sign contracts of the total dollar value of the hotel contract.</p>
Function name	<p>Name of conference or meeting you would like displayed on hotel reader boards, registration desk, etc. This can be ORISE.</p>
Sleeping room blocks	<p>Always be as conservative as possible with rooms reserved for meetings. The contract price, and the payment for reduced room block usage, are based on the number of rooms reserved. If your meeting falls short of the contracted number of sleeping rooms, ORAU could be responsible for additional charges for lost revenue to the hotel.</p>
Sleeping room block sliding scale	<p>A sliding scale for the number of rooms reserved and used for the meeting is preferable. This could save ORAU large penalty fees. If a portion of the rooms have been used, the sliding scale will be used to negotiate or determine the penalty fee.</p>
Government rate sleeping room rate	<p>All hotel contracts for sleeping room blocks under an ORISE arrangement should be at a rate not in excess of the published government rate in the <i>Federal Travel Regulations</i> - Travel Allowances.</p>
Cut-off date for reserving rooms	<p>Last date for reserving rooms at the published rate. Negotiate with the hotel sales office for a date that is reasonable.</p>
Function or meeting space rental fee	<p>Charges for meeting space may be based on the number of sleeping rooms reserved and used, a flat rate, or free. Pay close attention to the wording (ex., per day or per week), particularly if there are penalties or if charges increase when the lodging minimum is not met.</p>
Cancellation clause	<p>Be sure you and your sponsor know how much it will cost if the meeting is canceled, and be aware of the advance notification requirements.</p> <p>Make sure something equivalent to the following is included in the cancellation clause for ORISE activities: "If government funding is not forthcoming, this contract is null and void." This clause does not always keep us from paying penalty fees if our client cuts our funding, but it has</p>

	worked several times for OKAU meeting planners.
Hold Harmless or Indemnification	These clauses are trouble, and should be forwarded to the General Counsel if the hotel will not delete the clause. Anyone who signs an unlimited hold harmless or indemnification agreement on a Government contract is violating the Anti-Deficiency Act.
Damage Liability	These clauses can range from relatively benign to an indemnification by another name. When in doubt, consult the General Counsel.
Additional Charges	Be sure you know whether additional charges may be added to the hotel contract after the contract is signed. Ask specific questions on additional costs for electrical hook-up, phone lines, equipment, audiovisual, skirting on tables, additional chairs, etc. If there is a charge for these services, it should be specified in the hotel contract.

BE AWARE: The hotel's liability for theft of property is probably limited by the contract or a state Innkeeper's Statute. Do not assume that a locked meeting room is "safe."