

SITUATION OVERVIEW

This position paper addresses meeting and exhibition facilities implementing policies to deter meeting planners from using any audio-visual vendor other than the facility's officially designated company.

The motivation here is simple - the facility-designated supplier pays a commission to the facility on the business it services there - sometimes as much as 50% of a customer's audio-visual invoice. Therefore, any company serviced by any other vendor represents a loss of potential revenue for the facility.

WHAT IS APPROPRIATE?

Many policies, which are fair, reasonable, and prudent, are commonly applied in the interest of safety or law. Likewise, there are commonly applied fees that can be substantiated by added value to the customer or by an underlying cost to the facility.

However, some policies and fees are formulated and applied without legitimate rationale or justification.

Many of these policies and fees may need to be clearly and fully disclosed to meeting planners when booking space in a facility. However, they may only surface after the contract has been signed under the guise of Facility Operating Policies & Procedures.

There are also instances in which a facility may attempt to restrict the legitimate activities of an audio-visual vendor hired by a client or to collect fees directly from that vendor without the client's knowledge or the vendor's prior agreement. This is inappropriate.

CUSTOMERS BENEFIT FROM A FREE AND COMPETITIVE MARKETPLACE

A free and open marketplace will always be best for customers and businesses. Such an environment naturally creates a range of products and pricing that will bring out the best in customer service. On the other hand, trade restrictions can result in higher costs and poorer service.

Everyone should ensure that meeting planners and audio-visual companies can conduct business without interfacing with facilities. All customers must be free to choose their audio-visual vendor based on their criteria.

Audio-visual vendors should win a meeting planner's business and confidence through performance, product choice, and competitive pricing. Those companies that invest in their products, personnel, and sales programs are rewarded with long-term customer relationships based on the value these assets deliver to those customers. Conversely, when the facility forces customers to work with a preferred vendor, they relinquish control over their audio-visual services' quality and cost.

A CUSTOMER'S GUIDE TO FACILITY POLICIES & FEES RELATED TO AUDIO-VISUAL SUPPORT SERVICES

The following is an overview describing some of the policies and fees related to audio-visual services commonly applied by facilities. Also included are opinions on your customer rights and guidelines for what is considered fair and reasonable.

YOUR RIGHTS AS A CUSTOMER

Your specific rights as a customer are spelled out in the contract you sign with a facility. Many of the terms in these standard contracts are negotiable or may be tailored to suit your specific needs more closely. All contracts should be carefully reviewed to identify any clauses limiting your opportunity to use any audio-visual vendor or which may penalize you for doing so.

In general, when you rent space from a facility, the facility will spell out what activities you may or may not conduct in that space. Otherwise, subject to further restrictions expressed in the contract and subject to laws of general application, the space is yours to do as you please. You will effectively have unrestricted access to that space for your staff, vendors, and equipment.

Any equipment hired by you for a meeting is, for the time of such hiring, your responsibility and under your control, subject to the limitations in the equipment rental agreement. Similarly, any audio-visual vendor personnel hired by you are, during the time of such hiring, your responsibility and under your control when working on your behalf in a facility, subject to the limitations specified in the agreement between you and the audio-visual vendor.

Unless otherwise stipulated in your contract with the facility, third-party equipment and staff are subject to the same rules and restrictions as those that apply to your equipment and staff.

ACCESS TO THE BUILDING

When renting meeting space, unless otherwise stipulated in your contract with the facility, you have the right to have access to those areas of the building that are reasonably required to move equipment and people related to the stated purpose for which you have rented the facility, into or out of that facility. This right includes access for third-party staff and equipment hired by you. Contracts should be carefully reviewed to ensure that this right of access is not inappropriately restricted or penalized.

The facility does have the right to be informed of your third-party hires and their schedule of activities. However, the facility does not have the right to charge you or your third-party hires any additional fees for such access unless the conditions and amount for such costs are specified in the facility's contract.

LIABILITY INSURANCE

If the contract stipulates, a facility has the right to require you to carry liability insurance in a specified amount for your staff, your appointed agents or vendors, and delegates. The contract may also entitle the facility to require the same liability coverage from your appointed agents or vendors.

STANDARDS COMPLIANCE

A facility has the right to require that you, your appointed agents, and vendors comply with all laws, regulations, codes, and standards under current legislation in the jurisdiction where the facility is

located. These do not necessarily need to be spelled out in the contract if they are municipal, provincial, or federal codes or laws.

CUSTOMER'S EQUIPMENT AND STAFF

A facility does not have the right, unless specified in your facility contract, to prohibit you from using your own equipment or rented equipment in a meeting space you have rented, provided such use is consistent with the purpose for which the space has been rented. However, contracts should be carefully reviewed to ensure that your right to use your own or third-party equipment is not inappropriately restricted.

Unless stipulated in the facility contract, a facility does not have the right to designate which of your staff, agents, vendors, or invitees has access to meeting space that you have rented under any circumstances except those governed by law, provided their activities are consistent with the stated purpose for which the facility has been rented.

Unless stipulated in the facility contract, a facility does not have the right to specify how your staff, appointed agents, vendors, or invitees will be dressed.

Your facility contract must spell out any rigging policies and related fees. Any such fees must be based on a published price list and should be the same for all customers, regardless of what audio-visual vendor they use. Policies and costs relating to rigging vary widely, so you must ensure that charges are stipulated in your contract. A facility can reasonably expect you to submit a rigging plot for examination and approval before the event. A reasonable timeframe for submission of this information would be two weeks before the event.

A facility may require you to obtain equipment that attaches directly to the building from its rigging contractor. It is unreasonable for a facility to require using other rigging contractors' equipment. Costs for such mandated equipment must be according to a published price list. They should be the same for all customers, regardless of the audio-visual vendor they use.

A facility may reasonably charge a fee for attachment to permanent rigging points in the building. These points cost money to install and should be inspected annually. Therefore, it is reasonable for a facility to cover these costs. In return, the facility should be able to provide you with a written engineer's rating of the points, an engineer's inspection report for the current year, and a schedule of all weight ratings for all rigging points. Fees for rigging points must be according to a published price list and should be the same for all customers, regardless of the audio-visual vendor the customer uses. These fees are typically \$25-30 per point per event.

While there is generally no government certification or official qualification standard for riggers, several industry-recognized courses provide solid rigging and aerial safety knowledge. In addition, a customer has the right to request the credentials of the riggers and rigging company before signing the facility contract.

ELECTRICAL SERVICE

Electricity is available from the permanent outlets in a meeting room is universally considered to be included in your meeting room rental cost unless otherwise stipulated in the facility contract. It is, however, reasonable for a facility to charge additional fees for any electricity required above and beyond this.

It is reasonable for the facility to designate an electrical contractor to provide any extra electricity required, as some legitimate safety and infrastructure concerns are explicitly related to electrical services. However, any electrical policies must be spelled out in the facility contract. In addition, costs for these services must be according to a published price list and the same for all clients, regardless of

what audio-visual vendor they use. Charges for electrical services vary widely, so you should be careful to obtain these costs before you sign your facility contract.

A facility may require you to submit a schedule of electrical requirements before the event. A reasonable timeframe for this would be two weeks before the event.

PATCH FEES

It is reasonable for a facility to restrict the use of the sound systems built into their meeting rooms to their preferred supplier unless otherwise stipulated in your facility contract.

Suppose you wish to have your own audio-visual vendor "patch" into these systems. In that case, it is reasonable for a facility to charge you a "patch" fee unless otherwise stipulated in the facility contract. These sound systems are expensive, and it is reasonable for a facility to take measures to safeguard them. Patch fees offset the cost of managing and maintaining these systems.

Any patch fee policies must be spelled out in the facility contract. Costs for these must be according to a published price list. Procedures and charges relating to patch fees vary widely, so you must obtain these costs before you sign your facility contract. Typical costs range from \$30-\$50 per room per day; any amount higher than this is not reasonable. These fees are often negotiable, provided such negotiation is done before your contract is signed.

LIGHTING CONTROLS AND ADJUSTMENTS

You can expect that basic lighting controls are included in your meeting room rental cost unless the facility contract stipulates otherwise. It is reasonable to charge an additional fee for a remote control for room lighting.

Generally, if built-in lighting controls cannot achieve the desired lighting level in a meeting room, lights are individually turned off or unscrewed by the facility at no cost. However, in a room such as an exhibit hall, which is not equipped as a meeting room, it is reasonable to charge an additional fee to turn off or disable individual lights, as there can often be a labor cost. Such costs will vary widely, so customers using this type of meeting space should inquire about fees before they sign their facility contract.

STORAGE

A facility has no obligation to provide storage space for a client's audio-visual vendor. It is your responsibility to provide this space if it is needed. However, storage of equipment or cases within the meeting rooms booked by a customer, including backstage areas, may not be unreasonably restricted by a facility.

You should know this when blocking and negotiating for your meeting space and include audio-visual storage in your initial meeting space contract. Facilities will often charge extra for this space if requested after the fact.

SECURITY / SUPERVISION FEES

A facility does not have the right to require you to pay for security or supervisory personnel provided by the facility or its agents to monitor the activities of your audio-visual vendor unless that requirement is stipulated in your facility contract.

Unless otherwise provided for in the facility contract, you assume the same liability for the activities of your third-party staff in a facility as you do for your team.

COMMISSIONS, ACCESS FEES, & SURCHARGES

Unless clearly and specifically spelled out in your facility contract, a facility does not have the right to charge any commission, access fee, or surcharge related to, or contingent upon, your choice of audio-visual vendor. Some facility contracts do contain such provisions, so you must review your contracts carefully for these items before execution. Facilities will generally be willing to delete such provisions if you call them into question. Any such provision should be justifiable by a directly related underlying cost.

A facility does not have the right to charge or solicit any commission, access fee, or surcharge from your audio-visual vendor, with or without your knowledge. Nor do they have the right to restrict access by your audio-visual vendor to their premises based on non-payment of such fees.

Note that the above summary is necessarily generalized and may not apply to specific circumstances. Moreover, the above does not constitute legal advice. Customers, facilities, audio-visual vendors, and others should consult their legal advisors for advice concerning their specific circumstances.

SAMPLE LANGUAGE FOR INCLUSION IN RFPS AND CONTRACTS TO SAFEGUARD AGAINST THE RESTRICTION OF CUSTOMERS' CHOICE OF SUPPLIERS

The following clause, "Buyer's freedom to choose third party suppliers," is designed to be included in a client's initial RFP to a facility and to be appended to the client's standard facility contract.

BUYER'S FREEDOM TO CHOOSE THIRD-PARTY SUPPLIERS

"Buyer" will not accept or agree to any proposal or contract that contains conditions, terms, or clauses that unreasonably restrict or seek to influence our choice of third-party suppliers for our event at any facility, whether such conditions are expressly stated in the proposal or contract, or whether they are contained in the general operating policies of the facility, be they published or unpublished.

Furthermore, we will not accept or agree to any fees, surcharges, or penalties of any type charged by a facility that is in any way based on or tied to our choice of third-party suppliers, whether such fees are expressly stated in the proposal or contract, or whether they are contained in the general operating policies of the facility, be they published or unpublished.

This "freedom to choose" clause shall be appended to all contracts with facilities executed by the "Buyer." If it is determined that this clause conflicts with any other clause, a portion of any contract, or any general operating policy of the facility, then this "freedom to choose" clause shall be deemed to supersede the other clause, portion of the contract, or the general operating policy of the facility with which it is determined to be in conflict.

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