

Negotiating Vendor Contracts and Certificates of Insurance

When negotiating vendor contracts, there are critical inclusions and/or eliminations that require knowledgeable oversight to protect your event. If you do not know how to negotiate effectively and in the best interest of your client or company, or you lack the knowledge to write into the contract what you negotiated, my only advice is to hire someone that does. Boilerplate vendor contracts are very common, so incorporating vendor performance and inclusions into a revised agreement for clarity of responsibility is essential for the protection of both parties.

Contracts, for the most part, are not written on the clients' behalf. Most people do not know what insertions are necessary, or what needs to be stricken, to protect them or the integrity of their event. Non-performance issues, accountability of inclusions, vendor conditions that prevent other vendors from performing at the same event, and insufficient insurance, are only a few details that require review prior to signing a contract. Hiring an experienced consultant that can negotiate on your behalf and incorporate the vendors' responsibility and material obligations into the writing of the contract is well worth the extra time and investment, especially if something goes array. You may even consider having this same person manage logistics because they now have first-hand knowledge of the contract obligations, setup parameters, and load-in requirements for the event. Their negotiation skills may also be used for; encouraging vendors to expand upon inclusions, location contract negotiations, and assistance throughout the event planning process.

In addition to the contract, Certificates of Insurance (COI) are essential documents that you must require from each and every vendor you hire for your event. However, in some cases they are not worth the paper they are written on. This is not because the insurance companies fail to provide the proper documentation, but as a result of insufficient information from the vendor to the insurance carrier. Some carriers are reluctant to add clauses or "Additionally Insured" without charging the vendor, which is why vendors occasionally just send over a blanket insurance form and hope that will suffice. You must know what to look for and what questions to ask; for instance, are there any sub-contractors? If your vendor tells you their coverage meets the requirements of the event and you are unable to verify and authorize that the COI definitely has the required coverage, please consult with someone that can offer you this decision. I must emphasize the importance of proper insurance coverage, and not allow a vendor on site without this. There is also a NYS requirement for Workman's Compensation Insurance covering vendor employees.

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