

# NCA Annual Convention Site Selection

The NCA site search and selection process does not have a definite timeline (i.e. begins in April and ends in October). The entire site search and selection process can take three months to one year. Site contracts are finalized five to seven years in advance.

1. A specific region(s) is selected based on past locations and the accepted practice of rotating sites geographically (East, Central, West, and repeat).
2. Requests for proposals are then directed to metropolitan areas large enough to accommodate a convention of NCA's size via the appropriate National Sales contacts and/or Convention and Visitor's Bureaus.
3. Proposals are reviewed for items including, but not limited to:
  - Room rate
  - Proximity of venues if more than one is used
  - Layout/accessibility of meeting space
  - Location/safety of area within city
  - Venue pricing (food and beverage, audio-visual, etc.)
  - Contractual items (discounted rooms, upgrades, rebate, etc.)
  - Level of environmental/green initiatives
  - Appeal of a city, walkability of entertainment/dining venues outside of hotel
  - Efficiency and cost of air travel
  - Ease and cost of transportation, public transportation options
4. A short list of sites is created based on the above factors. Site visits are conducted by the senior management to assess the above items.
5. The short list of sites is also sent to the Convention Member Working Committee for further review and feedback. Uniform proposal summaries are prepared for the Convention Member Working Committee outlining items of importance including, but not limited to:
  - Commitment to equal opportunity, diversity, and anti-discrimination
  - Working conditions

- Environmental practices
  - Childcare and child-friendly environments
  - ADA practice and accessibility
  - Living wage legislation on local or state level
  - Local or state level legislation protecting civil rights regardless of gender identity and the recognition of same-sex marriage and/or civil unions
6. Based on results of the Convention Member Working Committee review and site visits, the final site recommendation is given to the executive director for approval.

#### Frequently Asked Questions about Convention Site Selection

##### **How far in advance are convention hotel contracts signed and what would be involved in changing a location after a contract is signed?**

For conventions that are the size of NCA's, contracts are typically signed five to seven years in advance of the event. This lead time is required due to the limited number of hotels with the amount of space necessary, combined with competition from other clients. Hotel contracts include financial penalties for cancelation that are extremely large (and get progressively larger as the convention date approaches). This is standard in the hotel business, and is typically not a negotiable part of a contract beyond marginal accommodation on the cancellation amounts and/or formula used. Since cancelation fees can reach over a million dollars close to the date of the event, a cancelation can be crippling financially to an organization.

Even if an organization finds a way to avoid a cancellation fee, the likelihood of being able to find another location for a convention of NCA's size in a short period of time is extremely low. As indicated above, there is a relatively small number of locations that can support a group the size of NCA, and rarely are any available without years of advance planning. If an organization cancels a hotel contract and is unable to find an alternate location, the convention would presumably have to be canceled, leading to the loss of an important resource for the group's members and a major loss of revenue for the organization. NCA, for example, relies on convention revenue for approximately 25 percent of its operating budget.

##### **What does it mean to reserve a room block at a convention hotel?**

A room block is the number of guest rooms that an organization commits to filling at a hotel in exchange for a reduced guest room rate (from the regularly priced "rack" rate) for meeting attendees, meeting space allocation, food and beverage minimums, and other

contractual items. While the reduced guest room rate for meeting attendees is negotiated in part based on a calculation of other revenue the hotel expects from the convention (e.g., meeting space requirements, food and beverage), the primary factor driving the rate is the size of the room block that the organization can guarantee.

When an attendee books a room at another hotel or otherwise outside the NCA room block, the association does not get credit for that room. If an organization fails to meet its contracted room block terms, it assumes out-of-pocket financial responsibility for the unfilled rooms. Not filling a room block will also impact future negotiations with hotels because an organization's "pick up" history is usually the starting point when a hotel begins to formulate a proposal.

**Why are resources at convention hotels (e.g., catering, audio-visual equipment) frequently so expensive?**

Most hotels require that convention activities use in-house services for food, AV, and the like, so groups are bound by the prices of the hotel. The cost of these resources varies quite a bit from city to city, given differences in local economies. In addition, the cost of these resources varies quite a bit from property to property, with the primary differentiating factor being that unionized properties tend to charge higher rates.