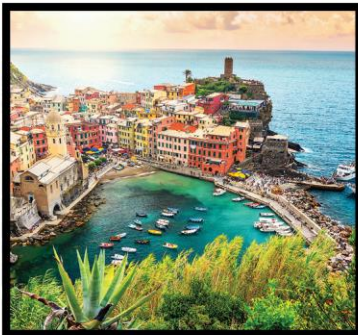




*Preferred*SM
HOTELS & RESORTS

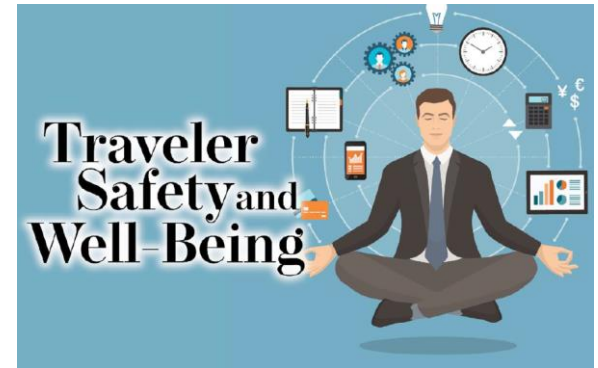
2021 Corporate Negotiated RFP Trends

Information Update as of
20 July 2020



New RFP Considerations for the 2021 Season

- **Hybrid Rate Model – Dynamic % off BAR, in addition to a static negotiated rate**
- **Rate reductions from prior seasons – If hotels reduce their BAR rates, they should expect that corporate travel managers will also want lower corporate rates.**
- Heavier emphasis on program compliance – via Online Booking Tools or utilizing a TMC, for the purpose of duty of care & tracking.
- **COVID policies are at the forefront** – some accounts are only launching an RFP to have a series of custom questions answered regarding safety and sanitation measures.



Accounts Currently Requesting Dual Rates



2021 CORPORATE ACCOUNTS

Dual Rate Loading Hybrid Strategy

The Walt Disney Company

launched July 2020

SONY

Preliminary request - RFP launch October

ABB Global HRS

launched July 2020

Citi

Preliminary request - RFP launch TBD

Deloitte

Preliminary request - RFP launch TBD

Scotiabank

Preliminary request - RFP launch TBD

Dual or “Hybrid” Rate Loading

-
- Rates should be loaded as **Dynamic** (entering the contracted discount off BAR) and implement a “ceiling” rate, which would be equivalent to the static rate.
 - This allows the ceiling rate to be the highest the negotiated rate would be, but allowing the rate to be lower if the value of the discount off BAR is lower than the ceiling.
 - Reminder that the chain rate (**PHGCORP**) is a **minimum 15% off BAR**
- This means that hotels should keep the dynamic discount in parity with accounts that are also participating in the chain rate program to keep the room night volume tracked towards the specific rate code.

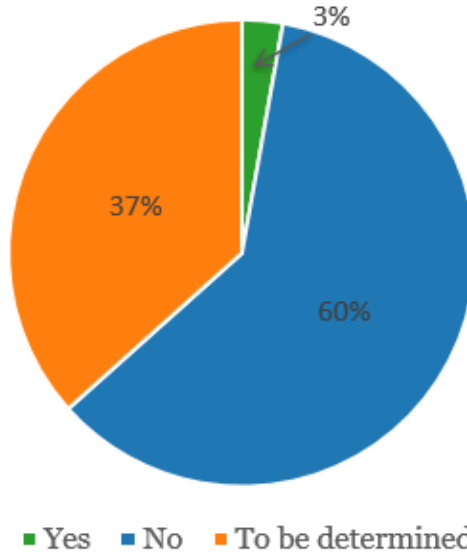
Examples of Dual or “Hybrid” Rates

Example rate offer: \$200 and 15% off BAR

- If a hotel’s BAR rate is \$300 and their negotiated corporate rate is \$200, the ceiling would be offered at \$200.
- If a hotel’s BAR rate falls to \$250, 15% off this is \$212.50 – so the ceiling of \$200 stays in place.
- If a hotel’s BAR rate falls to \$225, 15% off this is \$191.25 – so now this dynamic rate is what is offered.

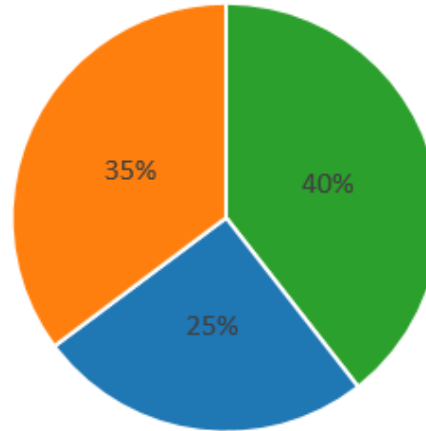
Corporate Travel Manager Survey Responses - June 2020 (450 Surveyed, 70 Respondents)

Do you anticipate any new cities or regions where you need to add hotels to your program?



Corporate Travel Manager Survey Responses - June 2020 (450 Surveyed, 70 Respondents)

Will you launch a 2021 RFP or request existing partners to extend 2020 rates?

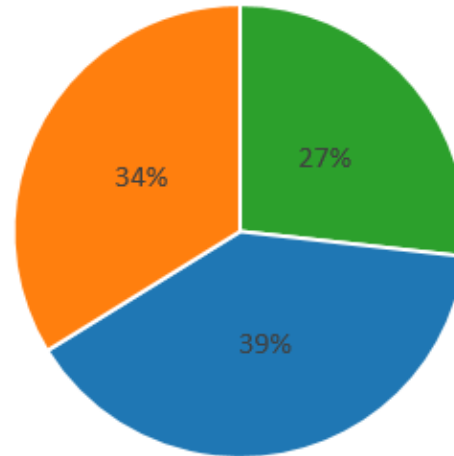


■ Launch 2021 RFP
■ To be determined

■ Request to extend 2020 rates

Corporate Travel Manager Survey Responses - June 2020 (450 Surveyed, 70 Respondents)

If your company does not already use dynamic rates in the hotel program, is this something you are considering to change to post-Covid-19 for the 2021/22 RFP season?



■ Yes ■ No ■ Already use dynamic rates in program

Provide a relevant hotel rate and amenity offer



- In this uncertain market, we predict corporate rates will fluctuate and suggest that hotels have flexibility in their rate offers.
- It's recommended that hotel partners conduct a cost analysis to understand what their best and final rate offer is for each account they are soliciting (STAR process).
- Hotels should respond to RFPs timely, with best and final offers provided on the first round – meeting the terms of the RFP.
- Additionally, value-added amenity offers that are customized to each corporate account will help enhance the overall offer to the client.
- Hotels should never decline to participate in a corporate RFP if they are seeking corporate business. If they cannot meet all the terms, they should complete the RFP with their offer to see if a travel manager will accept. It's better for the travel manager to reject the hotel, than the hotel to decline the account.

RFP Custom Question Examples from Current RFPs



- Are you ready to protect employees at higher risk for severe illness?
- Do you have dispensers placed at key guest and employee entrances and contact areas?
- Do you have guest/employee health signage posted in all high-traffic areas on the property?
- Do you perform wellness checks of employees?
- Do you have policies and procedures in place for how employees can report an ill coworker or guest?
- Do you have policies in place for an employee to return to work after illness?
- Do you have procedure in place to immediately notify local health authorities of a COVID-19 case at the facility (both guest and employee)?
- Have all employees received COVID-19 safety and facility sanitization protocols training?
- Do you have arrangements for ensuring physical distance between guests?
- Do you have procedures in place to limit number of individuals in the lobby at one time?
- Does your facility limit the number of guests allowed in fitness centers at a given time?
- Does your facility use mobile/remote check-in?
- Does your facility use digital or physical keys?

RFP Custom Question Examples from Current RFPs



- Do you have enhanced cleaning procedures for COVID-19?
- Have you provided personal protective equipment, as dictated by local health authorities, to be worn by employees?
- Do you clean high-touch surfaces multiple times per day?
- Do you wash linens, towels, and laundry according to WHO/CDC guidelines?
- Do you have contactless room service?
- Have you closed traditional buffet service?
- What measures are in place to limit the amount of time individuals spend in place? (ex. limiting portions)
- Do you have sneeze/cough screens in front of all food displays?
- Have you reduced the number of non-essential items on tables?
- Do you have procedures in place so housekeeping does not enter a guest room during a stay unless requested or approved by the guest?
- Will reopening be consistent with applicable state and local orders?