

**2.5 REQUEST FROM CONTRACTOR TO SURRENDER CONTRACT –
ALBANY VISITOR CENTRE**

Land Description	: Albany Visitor Centre, Proudlove Parade
Business Entity Name	: Albany Inbound Pty. Ltd. Director: Raymond John Hammond (Resident in Albany)
Attachment(s)	: Email from proponent requesting termination of contract Report: Commercial in Confidence, Proposed Surrender of booking and Accommodation Contract, Albany Visitors Centre, Option and Risk Analysis
Responsible Officer	: A/Executive Director Corporate and Community Services (P Wignall)

IN BRIEF

- The Managing Director of Albany Inbound Pty. Ltd., the entity contracted to provide a bookings service at the Albany Visitor Centre, has requested to surrender the contract.

ITEM 2.5: RESPONSIBLE OFFICER RECOMMENDATION

THAT Option four with termination of the contract with Albany Inbound Pty Ltd effective from 1 June 2011, be ADOPTED subject to:

- adoption by Council of a Business Plan by that date, which clearly demonstrates to Council that the City can effectively transition to providing tour and accommodation booking services, and that the business model is a cost effective outcome for the City;**
- the transfer of the customer database and the “StayNow” brand to the City (should that product be deemed appropriate after review) for \$11,210;**
- the transfer of merchandise at cost;**
- the transfer of assets of Albany Inbound Pty Ltd to the Council for \$5,114; and**
- all other costs related to the termination of contract being borne by Albany Inbound Pty Ltd.**

BACKGROUND

1. On the first of February 2006 the City entered into contract with Tayson Pty Ltd (now Albany Inbound Pty Ltd) for the provision of accommodation and tour bookings services, based at the Albany Visitor Centre.
2. The basis of the contract is that the contractor provides the booking and accommodation service covering all outgoings and the City receives a percentage of income from customer bookings made through counter, telephone and website sales made by Albany Inbound.

CEO:	RESPONSIBLE OFFICER:
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****REFER DISCLAIMER****

3. The City manages the overall operation of the Albany Visitor Centre, including a free visitor information service, staffed by City employees. One aim of the joint service is to provide a seamless service to the public who should not be affected by the fact that different elements of the service are provided by the City and the contractor's staff, from the same location.
4. The initial term for the agreement was for 36 months and was extended by Council for a further 36 months, expiring on 31 January 2012.

During the period of the contract there have been a number of variations approved by Council.

5. Albany Inbound Pty Ltd has formally requested to surrender the contract.

DISCUSSION

6. The termination of the contract provides the City with a number of options:
 - Option One – Council does NOT AGREE to the request to terminate Contract.
 - Option Two – Council AGREES to terminate the Contract: Contract is tendered for new Independent Operator.
 - Option Three – Council AGREES to terminate the Contract: provision of Accommodation Booking Services is discontinued.
 - Option Four – Council AGREES to terminate the Contract: City of Albany operates in full both Visitor Information Services and Accommodation Booking Services.
 - Option Five – Council AGREES to terminate the Contract: outsourcing both Visitors Information Services and accommodation Booking Services.
7. A separate Commercial in Confidence paper has been prepared and is attached to this Report. The Report identifies the risks associated with each of the options and possible transition plan and potential additional costs.
Nb. Report still being prepared.
8. The contractor is prepared to transfer to the City the customer database and the "StayNow" brand, web site and the "Bookeasy" licence, together with prepared TV commercials, all at cost.
9. Three staff are employed by Albany Inbound Pty Ltd on a casual basis; there is one permanent part time staff member and a full time junior who also manages merchandise. City staff working at the Centre do not currently possess the necessary skills to operate the tour and accommodation service. To develop this skill base, at least one week training would be required.
10. Stock (merchandise) could be transferred at cost, and all other chattels at their written down value.

PUBLIC CONSULTATION / ENGAGEMENT

11. Given the time constraints, the City has not undertaken public/ industry consultation.

FINANCIAL IMPLICATIONS

12. The potential costs or benefits to the City associated with the above have been detailed in the Attached Commercial in Confidence paper for each of the options identified.

STRATEGIC IMPLICATIONS & ALIGNMENT TO CORPORATE PLAN

13. This item directly relates to the following elements from the Albany Insight ~ Beyond 2020 Corporate Plan.

“The City of Albany will... 4.3 Deliver excellent community services that meet the needs and interests of our diverse communities”

ALTERNATE OPTIONS & LEGAL IMPLICATIONS

14. Council could choose to accept any of the options outlined, or a possible amalgam of options.

SUMMARY CONCLUSION

15. It is recommended that the option detailed in the attached Commercial in Confidence Paper be adopted by Council.

Consulted References	Contract CO5026.
File Number (Name of Ward)	C05026 (Frederickstown Ward)
Previous Reference	OCM 19/04/2005 – Item 14.3.2 OCM 21/06/2005 – Item 14.3.1 OCM 20/12/2005 – Item 14.3.1 OCM 20/03/2007 – Item 12.7.1 OCM 17/07/2007 – Item 12.7.1 OCM 16/09/2008 – Item 12.7.1 OCM 21/04/2009 – Item 12.8.2 Community and Economic Development Strategy and Policy Committee Meeting Minutes 19/03/2009