



London Borough of Hammersmith &
Fulham

Cabinet

10 JANUARY 2011

LEADER

*Councillor Stephen
Greenhalgh*

OFF-SITE STORAGE RECORDS CONTRACT

The Council's current Off-Site Records Storage Services with Restore Ltd expires on 31 March 2011.

The purpose of the report is to award a new contract following the retendering of the service.

A separate report on the exempt part of the Cabinet agenda provides information about the procurement process and the successful tenderer.

**Wards:
All**

CONTRIBUTORS

H&F Bridge
Partnership
DFCS
ADLDS

Recommendations:

- 1. That a framework agreement for the off-site storage of Council records for a 5 year period (with the option to extend for up to 2 further years on an annual basis) be awarded to Box-it Ltd.**
- 2. That approval be given to the expenditure of a maximum of £28,500 for the relocation all the boxes from the current supplier to the new supplier, to be funded from the existing Corporate Contingency budget in financial year 2011/12.**

<p>HAS A EIA BEEN COMPLETED? YES</p>

1. BACKGROUND

- 1.1 The Council has an Offsite Records Storage Service (ORSS) for the storage of both hard-copy documents and artefacts. The contract for this service with Restore Ltd. expires on 31 March 2011 after two extensions taking it to its maximum length.
- 1.2 The contract value this year is expected to be in the order of £136,000, making the value over five years a projected £680,000. The Council is therefore obliged under the EU Procurement rules to invite suppliers to bid for the service in order to meet its legal obligations, to meet new, emerging requirements in this business area and to test the market.
- 1.3 The opportunity was therefore taken to gain greater efficiencies through collaboration with the 6 WLA authorities, RBK&C and the City of Westminster, along with public bodies within these geographical areas (e.g. PCTs & RSLs), thereby potentially achieving economies of scale. Care was taken to ensure the current incumbent supplier had the opportunity to bid for the contract.
- 1.4 Consequently, the Council has undertaken a tender process for a replacement service. The existing contract is for the storage of short and long term documents, and to a lesser extent it includes items of a personal nature for children taken into care by the Council (e.g. heirlooms, letters and birthday cards/gifts from biological parents). The current provider currently store boxes in a secure environment (ex-MOD munitions site) on the outskirts of Bath.
- 1.5 There is a tendency for companies offering this type of service to be based out of city environments, and in most instances in rural locations in unmarked buildings for reasons of security.
- 1.6 The Council has no internal facilities for the storage of paper documents and with the accommodation reduction strategy more reliance will be placed on external providers to manage these matters. Some of the archived material can be destroyed after a relatively short period of time, whilst other documents (e.g. adoption papers) must be stored in their original state for a minimum of 70 years.
- 1.7 The ORSS is used by around 180 services across the Council. Currently 35,000 boxes are stored. The service is delivered at the moment by a company called Restore Ltd, formerly known as Wansdyke.
- 1.8 The ORSS, due to changes in technology, has been specified on this occasion to include the option to scan records on demand and store images, in addition to or instead of holding physical records in an offsite storage facility.

2. OPTIONS APPRAISAL

- 2.1 The new proposed contract will be a framework agreement led by the Council. Potentially, the framework will be open to the 6 WLA Councils, RB K&C and

the City of Westminster (along with public bodies within these geographical areas (e.g. PCTs & RSLs), thereby potentially achieving economies of scale. So far, LB Brent has been actively involved in the procurement process.

- 2.2 The retendering of the service began in late 2009 with a service review of current requirements. In addition to paper storage, the retendering exercise has also requested pricing for magnetic data storage.
- 2.3 A tender appraisal panel (TAP) was set up to oversee the procurement, consisting of departmental service users and corporate procurement from LB Brent and H&F, and, from H&F only, Legal Services with advice from Finance and Hammersmith and Fulham Bridge Partnership (HFBP) on IT.
- 2.4 The contract notice was published on 15 January 2010 on the Council website and later an advertisement was placed on the London Tenders Portal website. The service was re-advertised, and the date for receiving expressions of interest was extended, when it became apparent that there was interest from other Councils in joining into a framework arrangement. This framework agreement is not subject to the full rigours of the Public Contracts Regulations.
- 2.5 The Council initially received expressions of interest from 23 companies, all of which were sent and returned Pre-Qualification Questionnaires (PQQ).
- 2.6 Competition was extremely tough in what is now a litigious supplier environment with the top 10 responses being closely grouped.
- 2.7 Following evaluating of the PQQ's, the Council invited 6 companies to submit a tender of which 2 actually submitted bids.
- 2.8 The bids were evaluated by a sub-group of the TAP, including representatives from LB Brent, based on evaluation criteria weighted with 60% price and 40% quality.
- 2.9 The tender evaluation consisted of scoring the original bids; visits to the companies' storage facilities; visits to customer reference sites; clarification on questions in their proposals; and company presentations/interviews.
- 2.10 The quality evaluation (40% of the overall marks) was based on the following rounded percentages:

General requirements	9%	pro-rata: 3.0%
Business requirements	30%	pro-rata: 12.0%
Technical requirements	41%	pro-rata: 17.0%
Functional requirements	17%	pro-rata: 7.0%
Non-functional requirements	3%	pro-rata: 1.0%

It covered:

- Ability to deal with collection and deposit of record boxes and items, closed and open;
- Customer services;

- Support and account management;
- Security and business resilience of the facility;
- Ability to provide scan on demand and indexing;
- Access management;
- Audit management;
- IT infrastructure and systems; and
- Management reporting

- 2.11 The pricing was based on a typical basket of goods taken from the spend data for a typical month with the incumbent supplier, Restore, and had an overall weighting of 60%.
- 2.12 Allowance was also made for the cost of scan on demand or an electronic document management facility. This facility would enable the Council to systematically apply a destruction schedule for existing boxes using the new online indexing facility so that only those records and items the Council has an obligation to retain are kept. In addition, the scan on demand service will also over time further reduce the number of physical boxes retained and reduce subsequent retrieval costs for those scanned items as they will be readily available via Council business applications.
- 2.13 Details of the bids received and of the tender assessment process are in the separate report on the exempt part of the Cabinet agenda.

3. CONTRACT AWARD

- 3.1 Cabinet is asked to accept the recommendation of the TAP to award a contract for a period of 5 years, beginning 1 April 2011 to Box-it Ltd.
- 3.2 It is proposed that the contract is awarded to a new supplier who will make no charge for the transfer and take-on of the boxes. The Council will however incur a cost of transition in relocating all the boxes from the current supplier to the new supplier, at a maximum estimate of £28,500. The Council anticipates this cost to be one which can be negotiated with the existing supplier and may achieve the transition at a lower cost. However, provision for this estimate needs to be made from corporate contingency.

4. DETAILS OF THE PROPOSED CONTRACT

- 4.1. Usage of the scan on demand facility could initially increase the service cost as a one-off cost for each scanned record box or item scanned. This will be offset over time by the elimination of costs associated with retrieval and storage as the physical records/items can be legitimately destroyed as the scanned records can be stored within H&F removing further retrieval and overall storage costs. The accommodation rationalisation programme will also see costs associated with collections and retrievals reducing as the charges relate to postcodes, not points of delivery.

- 4.2. This will represent good value for money for the Council as records that would have previously taken up to three days to retrieve could be accessed immediately and from any location, thereby enhancing the Council's SmartWorking capability.
- 4.3. The Information Management team is currently investigating ways of reducing the costs of the service over time. It proposes to do this in a number of ways; working with departments to reduce the volume of boxes in storage; data cleansing including disposal of boxes reaching the end of their life; changing delivery schedules; defining and implementing an approach to tiered storage. Tiered storage means files regularly retrieved can be imaged, those less frequently will be held in hardcopy in regular storage and those rarely if ever retrieved can be kept in deep storage which incurs a lower charge. In this way more rigorous cost control can be exercised than previously.

5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 5.1 One-off costs of £28,500 are expected to be incurred in 2011/12 regarding the relocation of existing records. This will be a charge against the corporate contingency. Other comments are in the separate report on the exempt Cabinet agenda.

6. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 6.1 The Assistant Director of Legal and Democratic Services agrees with the recommendations of this Report. Further comments are in the separate report on the exempt Cabinet agenda.

7. COMMENTS OF THE ASSISTANT DIRECTOR OF PROCUREMENT & IT STRATEGY

- 7.1 The AD is responsible for the service provision and her comments are contained within the body of the report and in the separate report on the exempt Cabinet agenda .

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description	Name/Ext of holder of file/copy	Department/ Location
1.	Contract extension for current contract for Offsite storage - Records Management	Ciara Shimidzu ext 3895	FCS SmartSpace 3 rd floor Town Hall
CONTACT OFFICER:		NAME: Ciara Shimidzu ext 3895	