

For General Release

REPORT TO:	The Cabinet Member for Resources and Financial Governance in consultation with the Leader of the Council
SUBJECT:	Contract for Document Storage, Retrieval and Associated Services
LEAD OFFICER:	Sarah Hayward, Interim Executive Director for Place Ozay Ali, Interim Director for Homes & Social Investment
CABINET MEMBER:	Cllr Callton Young Cabinet Member for Resources and Financial Governance
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON: The recommendation to award a contract for Document storage, Retrieval and Associated Services that will ensure the Council secures the best value services.	
FINANCIAL IMPACT Approval of the recommendation to award the contract will be funded from existing budgets.	
KEY DECISION REFERENCE NO. Not a key decision	

The Leader of the Council has delegated to the Cabinet Member for Resources and Financial Governance the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Resources & Financial Governance in consultation with the Leader, is recommended by the Contracts & Commissioning Board to approve the award of a contract for Document Storage, Retrieval and Associated Services, for a period of 1 year with the option to extend up to 6 months, to Iron Mountain (UK) PLC for a maximum contract value of £56,000 per annum (£84,000 in total).
- 1.2 Note: the aggregated spend with the provider from 2014 - 2022 will be approximately £591,200 so the award of the contract requires Cabinet Member approval.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends the direct award of a contract to the provider named in the recommendation for the provision of Document Storage, Retrieval and Associated Services for a term of 1 year with the option to extend for 6 months.

2.2 The following Services will be covered by contract

- secure storage of documents and records
- retrieval of documents and records
- document maintenance
- bulk operations
- secure destruction of documents and records

2.3 The storage boxes contain various documents which the Council has a statutory duty to keep, such as

- children's files
- fostering and adoption records
- legal contracts
- building regulations
- planning applications
- HR records

2.4 The reason for direct award approach to the incumbent provider, rather than tendering, is to provide the Council time to

- significantly reduce the amount of boxes / files it has in storage which will
 - reduce monthly storage charges
 - reduce final exit (decommissioning) charges
- decide on the Councils longer term storage requirements
- decide on the best tendering option e.g call off from a framework, tender the opportunity ourselves

2.6 The Council will be using Iron Mountain's terms and conditions for this contract, therefore a waiver, under 19.2 of the Councils Tenders & Contracts Regulations, for Standard Clauses is required. Risks have been considered by the Service and the Category Manager for Corporate Services, with legal support, and considered low and acceptable.

2.7 The content of this award report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
18/06/2021	CCB1670/21-22

3. Background

3.1 In October 2012 the Contracts and Commissioning Board approved the award of a call off contract for the Supply of Off-Site Storage Services to Iron Mountain for a term of 4 years with an estimated contract value of £95,000 per annum but allowing for a variation of up to 20% to a maximum contract value of £456,000.

3.2 A variation to extend the contract for 12 months to the 30th November 2017 was approved by CCB on 28/07/2016 CCB1160/16-17. Since 2017 the Council has been using the provider on a rolling contract basis which is against the Council's

Tenders and Contracts Regulations, therefore approval is required to enter into a short term contract whilst Service requirements and procurement options are considered. The aggregated spend is such that delegated cabinet member award decision is required for the award of the new contract.

- 3.3 Contract spend has reduced significantly over the past 3 due to an ongoing exercise to permanently reduce the number of documents held in storage. So far, over 6,000 boxes have been destroyed saving the Council approx. £25,000 per annum. The reduction in boxes/files also provides savings on monthly storage charges and significantly reduces final exit costs, currently estimated to be at least £26,164.

Procurement and Tender Evaluation

- 3.4 The procurement strategy to directly award to the provider was approved by CCB on 10th February 2021 reference CCB1654/20-21. The waiver to Regulation 11.3 and the requirement for formal tendering was also approved.
- 3.5 In accordance with regulation 9.1 of the Tenders and Contracts Regulations, the provider submitted, via the council's e-tendering portal, a Tender Response Document with answers to a number of questions on how they will deliver the Services against the Council's Specification.
- 3.6 The provider's Tender Response was evaluated, as per the methodology set out in the Instructions to Tender Document, and the provider passed on all questions as set out in the table below.

Questions	Evaluation Criteria Pass/ Fail
Insurance	Pass
General Data Protection Regs	Pass
Compliance to Modern Slavery Act	Pass
Compliance to Business Continuity (Emergency, Business Continuity and Crisis Management Plan Submitted with Tender Return)	Pass
Compliance to London Living Wage	Pass
Health & Safety	Pass
Delivering the Council's Requirements <ul style="list-style-type: none"> • Quality assurance processes and procedures to ensure successful delivery of the contract • Working with the Council to reduce the amount of boxes/files • Innovation and added value 	Pass Pass Pass
Decommissioning and Exit Strategy	Pass
Contract Management including review meetings, MI, management of any increase, decrease in demand, ratifying changes in provision of the service	Pass
Social value	Pass
PSP	Declined to take part
Price	Pass

- 3.7 Therefore the Council has assurance that the provider can deliver the Services as per the Council's Specification.

Price and Contract Terms

- 3.8 The price the Council will be charged are in line with framework prices and represent value for money. The Council will contract on the Iron Mountains t & c's which are industry specific and deemed acceptable by the Council. (See 2.6).

Social Value

- 3.9 The provider supports community led initiatives and offers 16 hours paid time off to eligible employees, apprenticeships and work experience.

GDPR Compliance

- 3.10 The provider will comply with GDPR and ensure the protection of the rights of data subjects.

PSP

- 3.11 The provider declined to participate in PSP.

Contract Management

- 3.12 Monthly MI reports will be provided which will form the basis for quarterly review meetings between a dedicated account manager and the Councils Reprographic and Mailroom Manager.

Decommissioning Strategy

- 3.13 The provider will work with the Council on a detailed exit/ decommissioning plan and, should there be a change in provider in the future, they will work with the Council to ensure the smooth handover to a new provider. Decommissioning the service can take approximately 3 months to complete.

4. CONSULTATION

- 4.1 Consultation has taken place with officers in the Council's Reprographic and Mailroom regarding the scope, contract management / performance and legal advice regarding the provider's t & c's. The outcome of which has been accounted for in the contract.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The Council has a statutory requirement to keep various documents as detailed in 2.3

Essential spend criteria: The Council has budget for this contract and entering into the contract will enable spend to reduce over the contract term by permanently destroying as many boxes/ files as possible which will reduce monthly storage charges and final exit charges should there be a change in provider in the future.

5.2 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Revenue Budget available				
Expenditure	56	28	0	0
Income	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Income				
Remaining budget	56	56	0	0

5.3 The effect of the decision

The Council will enter into a contract with the provider for a term of 1 year with the option to extend for a further 6 months with a maximum total contract value of £56,000 per annum.

5.4 Risks

The main risk is considered to be a challenge for not tendering the opportunity. This risk is mitigated by ensuring the Council is in a position to tender the opportunity as soon as it can once it has destroyed as many boxes/files as it can to reduce exit charges. 3 months decommissioning the service is required and must be factored into time scales.

5.5 Options

No other options are being considered.

5.6 Future savings/efficiencies

Entering into the contract will enable the Council to continue to reduce spend, (and therefore better the expenditure situation), by permanently destroying as many boxes/ files as possible to reduce ongoing storage charges and future exit charges, should there be a change in provider.

Approved by: Geetha Blood, Interim Head of Finance – Place, Gateway, Strategy and Engagement on behalf of the Director of Finance, Investment and Risk and Section 151 Officer.

6. LEGAL CONSIDERATIONS

6.1 There are no additional legal considerations directly arising from this report.

Approved by Sonia Likhari, Solicitor, on behalf of the Director of Law and Governance

7. HUMAN RESOURCES IMPACT

7.1 There are no HR issues arising from this report for Council employees.

Approved by: Gillian Bevan Head of HR – Resources, for and on behalf of Sue Moorman, HR Director.

8. EQUALITIES IMPACT

8.1 There are no equalities impacts arising from this report.

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder impacts arising from this report

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The recommendation to award this contract is based on the evaluation of the provider's Tender Return which confirmed their ability to meet Service requirements set out in the Specification and to ensure compliance with the Council's Tenders and Contract Regulations.

12. OPTIONS CONSIDERED AND REJECTED

Option	Comments
Direct award to Iron Mountain for a term of 1 year with the option to extend up to 6 further months	Iron Mountain submitted their proposal via the Council's e-tendering portal which provided assurance that they can deliver the Services at agreed prices. This is the best value short term option whilst the Council continues to destroy as many boxes/folders as possible to reduce storage and exit costs, considers its requirements going forward and procurement options. Recommended option
Run a mini competition via ESPO framework	Price analysis has been undertaken and the indicative price difference between the lowest priced provider and Iron Mountain is £6,700 per annum in favour of the lowest cost provider, therefore if a mini competition is undertaken there is the possibility of there being a change in provider which would lead to exit costs of approx. £26,164 plus transport costs.

	<p>Decommissioning would take around 3 months so a short term contract with IM would still be required.</p> <p>Running a mini competition/ direct award via this framework or CCS' framework is the recommended long term solution when exit charges have been reduced (by destroying boxes/folders).</p> <p>Not recommended at this stage</p>
Run a mini competition via CCS framework	<p>CCS is in the process of establishing a new framework so price analysis was unable to be undertaken.</p> <p>Running a mini competition/ direct award via this framework or ESPO's framework is the recommended long term solution when exit charges have been reduced (by destroying boxes/folders).</p> <p>Not an option</p>
Run a mini competition via HTE's framework	<p>Not recommended for the same reasons set out above.</p>
Directly award to Iron Mountain via ESPO's framework	<p>There is the ability to directly award from the framework to the best value provider however a price comparison has indicated that IM are not the cheapest on the framework therefore this option has unacceptable risks associated to it in relation to exit costs payable to IM if there was a change in provider.</p> <p>In addition, decommissioning would take around 3 months so a short term contract with IM would still be required.</p> <p>Not recommended</p>
Directly award to Iron Mountain via CCS' framework	<p>CCS is in the process of establishing a new framework so not an option.</p> <p>Not an option</p>
Directly award to Iron Mountain via HTE's framework	<p>Iron Mountain charges are significantly higher on this framework so isn't a vfm option.</p> <p>Not recommended</p>
Tender the opportunity	<p>It is unlikely tendering would deliver pricing as competitive as those offered on an established framework due to economies of scale.</p> <p>There would be a significant additional resource requirements for the Council to run its own tender exercise without any guarantee of achieving better prices.</p> <p>Not recommended</p>
Continue with an ad hoc service agreement with Iron Mountain	<p>The Council would not be compliant to Council Regulations.</p> <p>Not recommended</p>

13. DATA PROTECTION IMPLICATIONS

13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No

13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No – Information Team have advised not required,

CONTACT OFFICER:

Valerie Guascone Category Manager for Corporate Services

BACKGROUND DOCUMENTS:

None