

Finance and Resources Committee

10.00am, Thursday, 3 March 2022

Award of Contract for the Provision of Storage, Management, Transportation and Disposal of Council Records

Executive/Routine
Wards
Council Commitments

Executive

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Approves the award of a contract for the provision of Storage, Management, Transportation and Disposal of Council Records to Iron Mountain (UK) Plc; and
 - 1.1.2 Approves the commencement of the contract on the 1 April 2022, for a period of five years, with two optional extensions of three and two years (5+3+2), at a total estimated value of £1,725,241.

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Report

Award of Contract for the Provision of Storage, Management, Transportation and Disposal of Council Records

2. Executive Summary

- 2.1 This report seeks approval to award the contract for the provision of Storage, Management, Transportation and Disposal of Council Records to Iron Mountain (UK) Plc to commence on 1 April 2022 for a period of five years, with two optional extensions of three and two years (5+3+2), at a total estimated value of £1,725,241.03.
- 2.2 The award of this contract will facilitate continued service provision for a range of Council services that rely on accessing and storing their physical records.

3. Background

- 3.1 In 2005, the City of Edinburgh Council (the Council) established an offsite record centre at its Murrayburn Depot as part of its 'Fit for the Future' Programme to support the Council's property rationalisation initiatives at the time. This was facilitated through a records management project and a cross-Council working group led by E-government.
- 3.2 Following agreement from the Corporate Leadership Team (CLT) in 2006, it was decided that the records centre should be run on the Council's behalf by a third-party supplier.
- 3.3 As a result of continued growth and slower than expected disposals, the Murrayburn Records Centre facility reached capacity in 2013. The Council then started using the supplier, Iron Mountain's own facility at Innerleithen, Scottish Borders, as an overflow to store boxes under a separate Crown Commercial Service Framework Agreement (ref: RM3781).
- 3.4 In February 2016, the Finance and Resources (F&R) Committee approved a report (See section 8) setting out the investment strategy for the Council's depots estate. This was revised in December 2018, and proposed consolidating from 16 to 6 depot sites. As part of this consolidation, Murrayburn Depot was allocated for mixed tenure housing.

- 3.5 In October 2019, the F&R Committee approved a report (See Section 8 – Additional Reading) proposing that the Records Centre at Murrayburn would be discontinued at the end of the contract in 2021 and replaced with an arrangement where the records would be managed entirely by a third party at their own site.
- 3.6 In 2020 the Council committed to a new Digital and Smart City Strategy that outlined objectives around working digitally and going ‘paperless’ by default. As a result, it is anticipated that the volume of physical records processed via this contract will reduce over the contract term.
- 3.7 The following four key requirements were identified as being crucial to the successful delivery of this contract.

Requirements	Details
Requirement 1	Secure offsite physical storage arrangements for up to 65,000 boxes at the start, with the aim to reduce this significantly over a 10-year period.
Requirement 2	Routine and emergency access requirements to boxes and files, onsite visits, scan on demand and by delivery to multiple Council office locations via dedicated transport.
Requirement 3	Online inventory management solution that manages both boxes and individual files (where required), including audited and authenticated disposal and retrieval processes, legal holds, classification by business function and data sensitivity, and record retention policy management.
Requirement 4	This solution must also provide self-service access to a wide range of Council staff that need to store, retrieve/return and dispose of boxes stored under this arrangement.

4. Main report

- 4.1 Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) on Public Contracts Scotland (PCS) on 21 January 2021 to determine interest from potential suppliers and inform the market of the tender opportunity. The PIN indicated that fifteen suppliers were interested in the tender opportunity.
- 4.2 On 28 October 2021, the Council published an Invitation to Tender on PCS with a submission deadline of 29 November 2021. This was done via the Open Procedure, meaning any supplier could review the requirements and submit a tender.
- 4.3 A cost/quality ratio of 60:40 was applied as the project team required a suitably strong focus on the qualitative elements of the tender, while ensuring commercially strong and viable offers.
- 4.4 A minimum quality scoring threshold of 50% of the available quality scores was also applied. Suppliers had to pass this threshold for their bids to be taken forward to the commercial evaluation.
- 4.5 On 29 November 2021, four Tenders were received via PCS. The qualitative elements were provided to the evaluation panel to undertake the quality evaluation.
- 4.6 The tender results, combining the quality scores and the price evaluation to derive an overall score for each supplier out of a maximum of 100%, are:

Supplier	Quality Score 40%	Price Score 60%	Overall score (maximum of 100%)	Rank
Iron Mountain (UK) Plc	23.60	60.00	83.60	1
Supplier 2	27.60	43.77	71.37	2
Supplier 3	23.40	42.68	66.08	3
Supplier 4	19.40	Not applied as the Tender failed to meet the minimum quality threshold	n/a	4

4.7 A summary of the tender evaluation criteria is provided in Appendix One.

5. Next Steps

- 5.1 Subject to approval by the Committee, the contract will be awarded to Iron Mountain (UK) Plc, to commence on 1 April 2022 for a period of five years, with two optional extensions of three and two years (5+3+2).
- 5.2 Following the completion of a mandatory standstill period, the Information Governance Unit (IGU) will work with Iron Mountain (UK) Plcs' implementation team to commence the new contract.
- 5.3 The IGU will ensure that effective contract management is delivered throughout the lifecycle of the contract, with the support of the Contracts and Grants Management Team (CAGM), as necessary.
- 5.4 A contract management and handover report, detailing the necessary steps and measures, will be produced and agreed. It is envisaged that proactive contract management (to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service for the Council throughout the duration of the contract.

6. Financial impact

- 6.1 Dedicated resource has been assigned to control and attempt to reduce the boxes and files added on the next-generation contract.
- 6.2 By including a pricing mechanism whereby, the next generation contract will be priced on 'per box' and 'per file' basis. The Council should be able to realise savings of an estimated £25,000 over the course of the first five years of the contract based on a reduction of over 8,000 boxes. If more boxes are destroyed during this time, the savings will be greater.

- 6.3 Pricing shall be fixed over initial contract term (five years). Price increases beyond this term will be capped in alignment with inflation. Any price increases will need to be approved by the Service Area, with support from the Contract and Grants Management Team (CAGM) if required.
- 6.4 As a result of this contract award, and subsequent release of the site, the property costs associated with continued use of the Murrayburn depot will no longer be required, and can be reinvested into the retained depot estate
- 6.5 The anticipated savings over the contract term based on market offers is £446,621.
- 6.6 A financial assessment has been carried out and it has been deemed that there is no financial risk to the Council.
- 6.7 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.
- 6.8 Funding will be from the Council's existing revenue budget.

7. Stakeholder/Community Impact

- 7.1 Elected members were consulted on the proposed move to a supplier-owned facility in late 2019. This proposal was approved by the F&R Committee in late 2019 (please refer to Section 8 for background reading).
- 7.2 The contract recommended for award is compliant with procurement regulations and the Council's Contract Standing Orders (CSO's).
- 7.3 The Sustainable Procurement Strategy was considered and applied through the request of community benefits, as per section 7.4, and improved processes regarding environmental measures, as per section 7.7. The delivery of savings is considered in section 6.5 and 6.7.
- 7.4 Iron Mountain (UK) Plc has agreed to provide community benefits in line with the Council's Community Benefits Contract Guidance provided with the Tender pack, and as per (but not limited to) the following:
 - Engagement with a local college to offer modern apprenticeships; and
 - Educational Sponsorship opportunities.
- 7.5 The success of the contract will be measurable against key performance indicators which were detailed within the tender package.
- 7.6 An Integrated Impact Assessment (IIA) and a Data Protection Impact Assessment (DPIA) have been completed.
- 7.7 As part of the completed IIA, the Council have committed to reviewing and agreeing a delivery model with Iron Mountain UK Plc, which will see a reduction in the number of deliveries provided per week. The intention is to consolidate deliveries to reduce the environmental impact of the new contract.

- 7.8 Iron Mountain (UK) Plc, have confirmed that they intend to pay workers in relation to the provision of this contract, the Real Living Wage.
- 7.9 Council staff will benefit from the expanded online access they will get to Iron Mountain's web-based inventory and retention policy management platform. They will be able to create, search and retrieve boxes and files directly via their laptop or mobile device, as well as search across and apply the Council's record retention rules to records managed under the contract. This flexibility will support the Council's Our Future Work and Digital and Smart City strategies.

8. Background reading/external references

- 8.1 [Depots Strategy: Collections for the Future; Report for Finance & Resources Committee 10 October 2019](#)

9. Appendices

- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Process

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Contract	Provision of Storage, Management, Transportation and Disposal of Council Records	
Contract period (including any extensions)	Starting on 01 April 2022 for a period of five years, with two optional extensions of three and two years (5+3+2)	
Estimated Contract Value (including extensions)	£1,725,241.	
Procurement Route Chosen	Open Competition via Public Contracts Scotland	
Tenders Returned	Four – one tender failed the quality threshold of 50%	
Name of Recommended Supplier	Iron Mountain (UK) Plc.	
Price / Quality Split	Price 60%	Quality 40%
	Quality	40%
	Implementation plan/transition period Service requirements – records storage Team structure, roles & responsibilities Service requirements – inventory management Service requirements – record retention policy management Collaboration, training & dispute resolution Quality assurance, monitoring and KPI's Business continuity and resilience The Environment Fair work practices Fair Work Management Information Community Benefits	10% 10% 10% 10% 10% 8% 8% 10% 8% 6% Info Only 10%
Evaluation Team	Three Council Officers from the Information Governance Unit within the Legal and Assurance Division.	