

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM REPORT TO THE CABINET

Date: 7th December 2016

HEADING Tender for the Procurement of an Offsite Document Storage and Retrieval Service

Submitted by: Executive Director, Resources & Support Services

Portfolio: Finance, IT & Customer

Ward(s) affected: All

Purpose of the Report

- a) To inform Cabinet of the approach adopted to procure a provider for the delivery of an offsite document storage and retrieval service;
- b) To seek approval to formally award a contract to Dataspace (UK) Limited following completion of the procurement exercise based on the 'Most Economically Advantageous Tender' (MEAT) criteria.

Recommendation

That Dataspace (UK) Limited be awarded a contract of 3 years duration, with the option to extend for 2 further years (subject to satisfactory performance), for the provision of offsite document storage and retrieval services as detailed in the tender specification.

Reasons

- (a) to comply with the principles of the Freedom of Information Act, with regard to retention periods for the storage of hard copy records, the Data Protection Act and the Council's Records Management Policy ;
- (b) to embed principles of data and information security by having managed practices in place for the storage and retrieval of records;
- (c) to support the increase in agile and offsite working by staff;
- (d) to support the move to the Public Sector Hub by reducing the space required for storage of hard copy records; thereby increasing the availability of valuable working space.

1. Background

1.1 During the past 6 months all departments of the Council have undertaken an assessment of the physical records (in paper and other formats) retained by them at the Civic Offices and the Knutton Lane Depot, as part of the Council's Electronic Documents and Records Management (EDRM) programme.

1.2 The aim of the assessment process was to identify physical records that need to be retained in physical format, in one of two given alternatives:

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- “Secure Offsite” – semi current records which are not required on a regular basis but which may need occasional retrieval. Many of these have the potential to be scanned on retrieval to avoid them being returned to offsite storage;
- “Archival” – records which need to be kept for legal and compliance reasons but which do not need to be consulted, or are rarely consulted.

1.3 In estimating volumes, staff used a variety of measures depending on storage used (filing cabinets, shelves, basement racking etc.) but these were translated into an Archive Box equivalent using the standard ‘R-Kive’ storage box.¹

1.4 The records identified are mainly paper. However, CDs video and microfiche may also be stored. Most files are a standard file size but there are also some large format plans, as is the case with the Planning service.

1.5 A specification of requirements was produced and invitations to tender were sought using the ‘MyTenders’ procurement site.

1.6 As well as storage and retrieval services, officers have sought to appoint a contractor to provide added value by working with nominated staff to enhance our Records Management functions and provide for the security, preservation and effective ongoing management of our records.

1.7 The contract duration will be 3 years with an option to extend for up to 2 further years at the discretion of the Council.

2. Issues

2.1 Issues impacting on the successful delivery of the service include:

- a. The successful service provider must have the capability to manage projected or potential changes in storage requirements, which may both reduce due to the destruction of time expired records but may also increase due to further records requiring storage.
- b. The successful service provider must be able to support officers in the delivery of a compliant solution to the requirements of the Data Protection Act 1998; the Freedom of Information Act 2000; periodic audit and other regulatory requirements; and deliver the management of records as advised by the Information Commissioner’s office.
- c. In facilitating a cost effective solution, the successful service provider will also be required to demonstrate a formal process of monitoring the timely destruction of archived documents in line with the Council’s retentions policies.
- d. The successful service provider must be able to offer a timely, cost effective solution for the retrieval of stored documents; delivery to agreed Council locations and subsequent collection and re-storage after use, should this be required.

3. Procurement Options Considered

Options considered prior to the commencement of the procurement process included:

- Option 1 – Open Market Tender: to undertake the procurement by way of an open procedure publishing a national contract notice. This can offer better value/savings in the longer term by engaging potentially with a greater range of providers (than the limited range on the

¹ These boxes have internal dimensions of H 254 mm x W 330 mm x D 381 mm and external dimensions H 260 mm x W 340 mm x L 400 mm.

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framework identified), improving the level of competition and exploring opportunities to deliver improved service.

- Option 2 – Utilisation of Framework: officers are able to use the ESPO (Eastern Shires Purchasing Organisation) Framework (2957) - Document storage and retrieval service: The framework offers regional providers (5 in the Midlands area) and accompanying pricing schedules. However, the nearest provider to the Council is based in Tutbury, Staffordshire. ESPO also make a charge for use of the framework which can be between 0.5 and 1% p.a. of the agreed contract price at the time of award which is likely to impact on the final price to the client.

4. Procurement Option Chosen

Following due consideration, Option 1 was chosen for the reasons given in Section 3 above. An open market tender was undertaken utilising the following indicative timetable:

Actions	Date(s)
Date opportunity advertised	12.09.16
Closing date for requests of clarification	23.09.16
Date for receipt of Tender Submission	10.10.16
Site visits, clarifications, evaluations.	03.10-25.11.16
Notification to unsuccessful tenderers	08.12.16
Letter to Preferred tenderer of Intent to award contract	08.12.16
De-briefing of unsuccessful bidders and standstill of award process (10 days)	08.12.16 - 19.12.16
Contract Award	21.12.16
Contract Commencement Date	03.01.17

5. Evaluation and Outcomes

5.1 Noted interests in the tender opportunity were received from 19 organisations. In addition neighbouring authorities who have their own document management facilities were contacted under procurement rules.

5.2 At the close of the tender deadline the Council received 5 completed Tenders for officer consideration.

5.3 Site visits have been undertaken by officers to those organisations qualifying as potential providers to evaluate their document storage facilities.

5.4 Submissions have been evaluated and scored on price and quality based on the Most Economically Advantageous Tender (MEAT) criteria; the evaluation being subsequently moderated to identify the successful provider.

5.5 It should be noted that a number of assumptions have been made to calculate the estimated contract value. The requirements for such assumptions are due in the main to the Council never having been required to store (and/or retrieve) documents from an offsite storage facility, these assumptions include:

- Initial purchase of boxes based on estimates of the number of files held in storage at various locations within the Civic Offices and Depot (e.g. filing cabinets, store rooms, strong room etc.);
- Actual cost of storage based on the above estimates i.e. the number of boxes and a subsequent estimated average quantity of files to be contained in each box;

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- Retrievals, as only limited information has been provided by relevant departments (this not having been a service requirement in the past), estimates have had to be made based on this limited information;
- Collection frequency (and costs) are based on estimates received from each department intending to utilise the offsite storage service;
- Emergency retrievals and destruction costs are a very basic estimate based on very limited information available to officers.
- Growth figures are a very basic estimate, since these have never been monitored and are likely to change dependent on the digital strategy.

5.6 Based on the number of assumptions made, the outline costs contained in the table below will be impacted by changing volumes as the new service begins to be implemented and developed over the first 12 months.

5.7 A range of sensitivity testing / scenarios have been undertaken by officers to support the financial evaluation and justification of the subsequent award to the successful service provider. This involved examining the changing costs based on varying levels of storage, retrievals and delivery costs.

5.8 The outcomes of the MEAT evaluation are tabled below:

Bidder	Quality score	Adjusted Quality Score	Cost	Cost Score	65% x quality	35% x cost	Total score
Company A	1770	72.84	£66,888	49.05	47.35	17.17	64.52
Company B	1660	68.31	£64,270	51.05	44.40	17.87	62.27
DataSpace	2430	100.00	£32,811	100.00	65.00	35.00	100.00
Company D	1760	72.43	£45,999	71.33	47.01	24.97	71.98
Company E	1950	80.25	£35,488	92.46	52.16	32.36	84.52

(Note the above calculations are based on the first 3 year term of the contract).

5.9 Contract costs for the successful tendered of £32,811 can be broken down as follows:

Capital cost - Year 1 (purchase of storage boxes , registration fee, initial set up costs)	£19,269
Revenue Cost – Year 2 & 3 (records storage, retrievals, delivery, destruction)	£13,542
Total contract cost	£32,811

5.10 In addition, it is estimated that circa £15,000 will be required to support the initial implementation phase. These costs are not included in the cost column of the MEAT evaluation. Implementation activities include the costs/time for (either officers of the Council or the successful service provider) collating, indexing and boxing files in preparation for collection for storage. These costs are included as part of the EDRM project in the Public Sector Hub business case that was approved at full Council on 23 September 2015.

6. Recommendation

That 'Dataspace (UK) Limited' be awarded a contract of 3 years duration, with the option to extend for 2 further years (subject to satisfactory performance), for the provision of offsite storage and retrieval services, as detailed in the tender specification.

7. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

The successful delivery of this programme is intrinsically linked to the implementation of the Public Sector Hub project which contributes positively towards the corporate priority relating to "Borough of Opportunity" by both enabling and directly delivering significant investment and job outcomes for the benefit of the local economy.

It aims to deliver a more effective and efficient services by providing a sustainable approach to document storage and retrieval supporting a progressive approach to the implementation of e-storage and retrieval of existing and future documentation.

8. Legal and Statutory Implications

The successful service provider must deliver solutions in accordance with the requirements of The Data Protection Act 1998 and The Freedom of Information Act 2000.

9. Equality Impact Assessment

There are no equalities impacts that have been identified linked to the delivery of this project.

10. Financial and Resource Implications

The indicative budget for the delivery of this service over the initial 3 years of the contract is included in the provision of a document management solution. This budget is included as part of the capital budget for the Public Sector Hub.

11. Major Risks

There is a current major risk identified relating to the requirement for internal preparation of physical records prior to transferring to the successful provider:

- There is insufficient resource internally to facilitate the implementation of the project including indexing and boxing of records;
- Cost of the service may exceed those stated in the initial MEAT evaluation due to the high number of assumptions / estimates made (see para 5.5)

A full risk register is available on request.

12. Earlier Cabinet/Committee Resolutions

Minute number 6 of the Council meeting held on 23rd September 2015. (Newcastle under Lyme Public Sector Hub)