

Wards Affected:

N/A

AWARD OF THE GOVERNMENT PROCURMENT SERVICE FRAMEWORK AGREEMENT FOR THE ARCHIVING AND STORAGE CONTRACT SERVICES.

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Executive Summary:

The purpose of this report is to seek approval to award the Contract for archiving and storage to the preferred bidder as named in Annexe A, for a period of 4 + 3 years from the date of award. The annual contract value will be approximately £45k with the term value of approximately £289k over a 7 year period (where 6 1/2 years are now remaining)

1 Recommendation(s)

- 1.1 That the award the Contract under the new Government Procurement Service (GPS) RM 1689 Lot 1 Framework Agreement which meets the current services provided by Milton Keynes Council, be approved.

2 Issues

- 2.1 The Council is currently utilising the GPS Framework Agreement for the provision of records management services. This Government contract Framework agreement expired on the 18th March 2012. A new Framework Agreement has been procured by the GPS until 31/10/2019 for a 7 year period. (6 ½ years remaining). A decision on the Council's future requirements has awaited this retendering process and in the interim the existing contract is still in use.
- 2.2 A formal tender process was conducted using the Open Procedure in the Official Journal of the European Union (OJEU); inviting bids in relation to Document Storage and Related Services by GPS. The tender process allowed bidders to indicate their particular areas of specialism and the resultant framework is categorised to reflect these areas of specialism. The scope of this Framework covers the physical storage of records both on-site and off site arrangements, including electronic inventory management, intake, retrieval, and destruction. Individual customer requirements will however vary in terms of what they require to be stored.
- 2.3 The Framework Agreement has resulted in a single supplier which the Council has been given approval to use by the Procurement Committee.

- 2.4 The Council's E-Tendering system will be used to enact this single call off to ensure that an adequate audit trail is in place.
- 2.5 The current contract was signed in 2009 using the Government's Procurement Service Framework operated through the Department of Children and Family Services. This is currently costing the Council between £50-60K per annum.
- 2.6 By using the new Framework agreement the anticipated costs for the current storage levels and services will be approximately £45k per annum assuming the current service level continues. So as to maintain the Councils flexibility, the proposed contract period is for up to a 7 year term allowing a break clause.
- 2.7 If the Council utilises the Contract for a full seven year term this will be approximately £289k and therefore in excess of £100k requiring approval to award the new Framework Agreement from the Cabinet Procurement Committee.

2.8 Consultation and Policy.

The procurement seeks to progress the efficient use of the Office Accommodation supporting the Councils Property Strategy.

2.9 Specification

2.9.1 The services provided under the Contract is attached. - See annex A and meets the Council's requirements. The Council's specification will be detailed in the Contract.

2.10 Evaluation Criteria & Panel

2.10.1 The evaluation of the bidder under the Contract considered the following:

(a) Price and Service Levels.

2.10.2 The call off documents for the Contract under the Framework Agreement was evaluated by a panel comprising of:

(a) Facilities Manager

(b) Document Management Officer

(c) Client Officer for Facilities Management

2.11 Contract Terms and Conditions

2.11.1 The Framework Agreement which the Council will be calling off commenced on 23rd April 2012 and is in place for a period of 4 years. However, given the nature of the requirements and the high costs of transitioning to replacement suppliers moving forward, the Framework Agreement has been set up to facilitate call off contracts for a period of up to seven years.

2.11.2 The Contract will be for a period of four years With an option to extend for a further three years.

2.11.3 The Framework Agreement is up to a maximum term of seven years however the Council is entitled to review the benefits of this Contract continuing although it is anticipated that it will be existent for a minimum of four years.

2.11.4 The Government Procurement Service RM1689 will be used for the award of this Contract.

2.11.5 The Council's Senior Client Officer for the procurement is the Valuer to the Council and for the management of the Contract is Milton Keynes Service Partnership -Facilities Manager.

3 Alternative Options

The Council's Corporate Procurement Procedures provide that Best Value be obtained and procurement should consider the following alternatives / choices:

3.1 Do nothing – This could lead to complications in the service delivery for Archiving with the contract being ceased resulting in a potential financial impact of approximately £50k with additional costs for transportation and labour to allow for exit of the existing contract, in addition to the unknown storage and services costs which will continue. Continuation of the current arrangement will not be in line with the Council's procurement regulations.

The service cannot be managed internally as there is no internal infrastructure to carry out this process effectively.

3.2 The Council could carry out its own tender process. Due to GPS being recently tendered it is not anticipated that a new exercise would add to this. We are not aware that there are any other local solutions available. Using the GPS Framework Agreement minimises any localised labour cost involved in this procurement.

3.3 Preferred Option - Lot 1- Off site

Advantages

Fixed 2 year period on price, thereafter supplier will agree with GPS new price increase.

Designed specifically for off site storage

No exit costs

No service disruption.

New contract will be in place in a short period of time.

Account holders are aware of the current process therefore no need for change.

Ability to terminate.

Single Supplier who has already passed quality and price evaluation criteria to join the framework.

3.4 Alternative Option - Lot 3 On and Off site storage

Advantages

Ability to terminate.

Disadvantage

Exit costs of approximately £50k plus transportation and labour costs. (There are currently 17 176 boxes in storage.) 20,605.6 CU FT as at 15th February 2013.

A total of 20 weeks service disruption to allow for exit process and setup process with new supplier.

The contract price for Lot 3 is more expensive than Lot 1. (see attached cost analysis information).

On site storage will need to be provided – possible reduction in office area.

Designed for more complex solutions, far in advance to Milton Keynes Council's current requirements, which will levy a premium.

Does not meet the Council's requirements for off site only and is therefore out of spec.

Implications

3.5 Policy

This service supports the Property Strategy in respect of efficient accommodation use.

3.6 Resources and Risk

The annual value of the revenue budget available to fund this contract is £55k.

There will be no price changes should the storage requirement increase or decrease as the cost per cubic foot is fixed.

There are no extra costs with regards to archiving facilities for MKSP as in the past the Business Support Staff have managed archiving on behalf of MKC where MKC paid for the storage.

MKDP does have a quarterly estimate cost of £200 which is an approximate annual cost of £800.00.

It is imperative that the Council has a reputable company that is able to protect public sector data records.

The proposal is to continue to provide an archiving service to the building users and ensure that archived documents are kept in a safe, fit for purpose location.

To ensure that there is no impact on the revenue budget should an alternative delivery be considered.

This proposal will assist the efficient use of the office accommodation by ensuring that MKC have a reliable Archiving service.

EDRMS (Electronic Document Record Management System) has the potential to reduce volumes of document storage. However there are areas that will still need to keep hard copies.

N	Capital	Y	Revenue	Y	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

3.7 Carbon and Energy Management

3.7.1. The contract recognises that there will be a reduced amount for paper archiving once EDRMS is in place.

3.8 Legal

This procurement of this contract for the purpose of providing archiving and storage services is in accordance with the Public Contract Regulations 2006 and the Council's Contract Procedure Rules. .

The Council needs to maintain and provide a secure, easily accessible process for the Safe storage, retention, transportation & retrieval of statutory, legislative and legal documents, not only for the Continuity of business for Milton Keynes Council, but also to support their adherence to: (This list is not exhaustive),

- ✦ Data Protection Act 1998
- ✦ Freedom of information act
- ✦ Human Rights act 1998
- ✦ Crime & Disorder act 1998
- ✦ Safeguarding Children & Safer Recruitment in education act
- ✦ Caldicott (Social Care principals)
- ✦ Common law duty of confidentiality

To support the above Milton Keynes Council's documents are retained utilising the schedule of retention for Local authorities.

3.9 Other Implications

N	Equalities/Diversity	Y	Sustainability	Y	Human Rights
N	E-Government	N	Stakeholders	Y	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

Volumes used are based on actual services per month from July 2012 – December 2012