

Wards Affected: None

CABINET PROCUREMENT COMMITTEE

4 DECEMBER 2012

USE OF GOVERNMENT PROCUREMENT 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 use the new Government Procurement Service Framework Agreement for the archiving and storage contract Services required for records management for MKC in accordance with the Council's Contract Procedure Rules and Financial Regulations.

1 Recommendation(s)

- 1.1 That use of the new Government Procurement Service (GPS) RM 1689 contract be approved for Document Storage Services, allowing for call off / direct award to meet current services required by Milton Keynes Council,.

2 Issues

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 The Council had utilised the Framework Agreement operated through the Department of Children, Schools and Families for the provision of records management services. This Government Framework agreement expired on the 18th March 2012.
- 2.3 Milton Keynes Council and the incumbent supplier agreed to continue with the current contractual terms until a new Framework Agreement was established by Government Procurement Service. .
- 2.4 A formal tender process was conducted by GPS using the Open Procedure in the Official Journal of the European Union (OJEU); inviting bids in relation to Document Storage and Related Services under the following lots;
 - 2.4.1 Lot 1: Off-Site Storage is a single service provider (direct award) lot for the provision of off-site document storage and related services i.e. off the customer's premises. The framework term is four years and any subsequent call off agreements should be limited to no more than 7 years.

- 2.4.2 Lot 2: On-Site Storage is a multiple, three service provider (using further competition) lot for the provision of on-site document storage and related services i.e. utilising the customer's premises/facilities. The framework term is four years and any subsequent call off agreements should be limited to no more than 7 years.
- 2.4.3 Lot 3: Off and On Site Storage is a multiple, three service provider (using further competition) lot for the provision of a composite storage solution combining on-site and off-site document storage and related services. The framework term is four years and any subsequent call off agreements should be limited to no more than 7 years.
- 2.4.4 Lot 4: Document Scanning and Related Services is a single service provider lot, designed to provide customers with document scanning and related services. This lot is reserved for Supported Businesses, Supported Factories or Supported Employment Programmes as referred to in the Public Contract Regulations 2006 [Section 7 Reserved Contracts](#).
- 2.5 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.
- 2.6 The Council's E-Tendering (Intend) system will be used to convey documents and communicate with the supplier(s) for this contract; this will ensure an adequate audit trail is kept.
- 2.7 The existing contract costs for the current storage levels are approximately £60k per annum. There will be no increase in costs per cubic foot if the council removed items under this contract assuming the current service storage levels continue.
- 2.8 The framework term is four years and any subsequent call off agreements should be limited to no more than 7 years
- 2.9 The Annex shows an example of actuals from April 2011 to date. If the Council utilises the agreement for a full seven year term the costs be in excess of £100k requiring approval to use the new Framework Agreement and approval to award from the Cabinet Procurement Committee.
- 2.10 Consultation and Policy.
- 2.10.1 The procurement seeks to progress the efficient use of the Office Accommodation supporting the Councils Property Strategy
- 2.11 Specification
- 2.11.1 The specification for the Framework is attached - See annex A and meets the council's requirements. The MKC specification will be detailed in the call off documentation.

2.12 Evaluation Criteria & Panel

2.12.1 The evaluation of the framework will consider the following:

(a) Price and Service Levels.

2.12.2 The call off documents for the framework will be evaluated by a panel comprising of:

(a) Facilities Manager

(b) Document Management Officer

(c) Client Officer for Facilities Management

2.13 Contract Terms and Conditions

2.13.1 The framework agreement which we 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.

The Contract is for 4 years and the Customer retains an option to extend this Contract for a further three years. The Customer may exercise any such option by giving the Supplier notice of its intention to renew not less than three (3) Months prior to the date when this Contract would otherwise expire

2.13.2 Our call off contract will be sought for a period of Seven years to commence on 18th February 2013.

2.13.3 The contract is up to a maximum of seven years however we have the annual ability to review the benefits of this contract continuing although it is anticipated that it will be existent for a minimum of four years.

2.13.4 The Government Procurement Service RM1689 call off terms and conditions will be used for this contract.

2.13.5 The Council's Senior Client Officer for the procurement is Peter Smettem and for the management of the contract is Mouchel -Facilities Manager – Yvonne Mullens.

3 **Alternative Options**

The Council's CPR's 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 MKC procurement regulations. The service cannot be managed internally as there is no internal infrastructure to carry out this process effectively.

The Council could carry out their 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 procurement team minimises any localised labour cost involved in this procurement.

- 3.2 There are two “call off” options available under the terms laid down in the framework agreement - Lot 1 and Lot 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

Advantages to MKC

No exit costs

No service disruption.

New contact 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.

- 3.2 Alternative Option - Lot 3 On and Off site storage

Advantages

Offers competition that drives value for money.

Ability to terminate.

Disadvantage

Exit costs of approximately £50k plus transportation and labour costs. (There are currently 16 536 boxes in storage.) 20,617.2 CU FT

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 higher 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 specification.

Implications

3.3 Policy

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

3.4 Resources and Risk

The value of budget available to fund this contract is approximately £60k per annum.

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

3.5 Carbon and Energy Management

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

3.7 Legal

This contract supports the council's statutory requirements.

To provide a secure, easily accessible process for the safe storage, retention, transportation and 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.

3.8 Other Implications

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