

3.5 CONTRACT FOR PROVISION OF RECORDS MANAGEMENT SERVICES (ARCHIVES)

(CF2009043: MK: PR)

Responsible Director: Marilyn Kearney and Leigh Harder

RECOMMENDATION

That Council:

- 1. Appoints Grace Records Management Pty Ltd for the Provision of Records Management Services (Archives) for a five (5) year period with two x one year options for extension for the schedule of rates submitted with their respective tender (Estimated annual expenditure of \$80,000 GST inclusive);*
- 2. Authorises the Chief Executive Officer to execute the contract agreement; and*
- 3. Authorises the Chief Executive Officer to approve the contract extension options subject to satisfactory performance.*

BACKGROUND

In May 2008, Co-operative Purchasing Services (CPS) was appointed as Agent of the Monash City Council in accordance with guidelines established by the Minister for Local Government and in compliance with Section 186 of the Local Government Act for the purposes of calling and evaluating public tenders for the Provision of Records Management Services (Archives).

The tender for the provision of Records Management Services (Archives) was advertised in The Age newspaper on 28 June and 5 July 2008 for a contract period of five years with two (2) x one (1) year options to extend. The tender was also advertised through an online tender service provider, Tenderlink. Tenderlink is a service used for the purpose of downloading of documents through a registration process only. Six (6) sets of tender documents were distributed to prospective tenderers with four (4) tenders being received from the following:

- Recall Australia;
- Grace Records Management Pty Ltd;
- Fort Knox Management Pty Ltd; and
- Compu-Stor

Council currently stores approximately 10,000 cartons of records offsite with Recall Australia. Future offsite archive storage requirements will be determined by a review of current storage facilities located at three Council sites, including the Civic Centre, Glen Waverley Library and Works Administration Centre. The contract has the capacity to include additional storage requirements if warranted following the review under the schedule of rates offered with the tender.

The tender provides for both the storage of archive cartons (primary consideration) and the retrieval of documentation on an as needs basis. Town Planning and Building Services are the single largest user of archive retrieval.

Periodic destruction of records is also required within the specified services, which is also accommodated within the schedule of rates tendered.

TENDER EVALUATION

CPS acting as Council's agent conducted the tender evaluation process based on the following criteria:

- Financial benefit and capability;
- Experience and reliability;
- Technical capability;
- Resource capability; and
- Company and management capability.

Price was considered at 40% with all other criteria making up the balance of 60%. It was noted by the Chief Executive Officer that the weightings were not in accordance with Council's Tender Policy, which requires a 60% financial consideration. CPS advised that the weighting of the qualitative aspects for the tender evaluation was of greater importance due to the issues of privacy, sensitivity and the intellectual property for the storage of files.

Whilst all tenders can provide the services, two stood out as market leaders, being Recall Australia (current provider) and Grace Records Management Pty Ltd who also submitted the tender with the lowest priced schedule of rates. A preliminary tender analysis report was provided to Council Officers in order that officers could satisfy themselves as to the recommendation being made by CPS. A copy of the Tender Report has been circulated separately to Council.

In relation to the processes associated with retrieval services, Recall Australia have submitted a 'once a day' standard courier service, and a separate higher cost service for 'urgent items'. Grace Records Management Pty Ltd has submitted a 'twice-daily' standard courier service, and also a separate higher cost service for 'urgent items'. The two deliveries per day submitted by Grace Records Management Pty Ltd should obviate the need for 'urgent' retrievals therefore minimising the higher cost of retrieval.

Council Officers interviewed both short listed suppliers and conducted site visits to satisfy themselves of the adequacy of the facility and services.

FINANCIAL IMPLICATIONS

All tenderers submitted a schedule of rates for required services within the requirements of the specification. The schedule of rates offered were competitive and based on current costs will deliver a small annual saving based on current usage. In the event that the archive service is expanded through an increase in

record storage requirements savings will be made in the order of \$59k (based on current pricing) over the initial five-year term of the contract. Should the increased storage and retrieval services not be required a significantly higher saving will be made.

Recall Australia agreed to fix their pricing for an eighteen (18) month period and have provided a basis for annual increases thereafter. Grace Records Management Pty Ltd has also agreed to fix their prices for a two (2) year period and have provided a basis for annual increases thereafter.

Based upon past usage data, the projected total cost for the service showed that Grace Records Management Pty Ltd provides the best value and lowest cost in relation to storage and retrieval costs, on the schedule of rates submitted within their tender.

In addition, Grace Records Management Pty Ltd has also included in their tender to fund transitional costs (exit fees, initial transportation, initial data capture/cross referencing, initial intake; shelving, scanning and update, and rationalisation) valued at up to \$70,000 at no cost to Council.

The tender submitted by Grace Records Management Pty Ltd proposes savings of a range up to 17% based on current pricing dependent on Council's usage of the services for year 1 of the contract. Comparatively the tender provided by Recall Australia proposes savings in the order of 8% on the services they currently provide to Council.

The provision of Records Management Services (Archives) can be managed within the 2008/09 Budget.

RECOMMENDATION

That Council adopts the recommendation to appoint the lowest priced tenderer Grace Records Management Pty Ltd for the provision of Records Management Services (Archives) a period of five years with the option to extend the contract term for two x one-year terms at the sole discretion of the Chief Executive Officer subject to satisfactory performance.